developed breaches of confidence most pernicious to commercial reputation. The judgments of the Bankruptcy Commissioners, under these different estates, were of a description perfectly justifying the refusal or suspension of the certificates of the various parties.

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The West-end private bankers enjoy very stable reputations. Principally they are banks of deposit, whose customers do not overdraw their accounts or require advances. Coutts & Co., Childs & Co., and Cockburn & Co., with others, are all known to possess very large balances on current accounts; and thus they are relieved in a great measure from the responsibility attaching to business which requires either bill or loan accommodation. Their friends and patrons being members of the nobility and aristocracy of the kingdom, they continue year after year, in individual cases, in charge of balances varying from 5,000*l.* to 50,000*l.*

The Joint Stock system has made sufficient progress within the last fifteen or twenty years to raise five establishments of great pretensions in the metropolis, which having hitherto been prudently conducted, tends

much to increase the favour of the public towards them. The chief of these is the London and Westminster Bank, which has five branches besides its head establishment. This bank was organized and started by Mr. J. W. Gilbart, who has done great service in working the system in London. The London Joint Stock Bank was the next established, and these were quickly followed by the Union Bank of London, the Commercial Bank of London, and the London and County Banking Company. The London Joint Stock Bank has one City, and one West-end establishment; the Union Bank one City, and two West-end establishments; and the Commercial Bank of London one City, and one West-end establishment. The London and County Bank has one establishment in the City, and one establishment in West Smithfield, besides thirty-nine branches in the country, through which a large portion of its business is understood to come. The suits that have occurred between the directors of this bank and the assignees of Messrs. Acraman & Co. of Bristol, respecting their right to hold a certain quantity of the scrip of the Royal West India Steam Company, deposited in their hands by Messrs. Colls, Thompson & Co., the discount brokers, who were customers of the establishment previous to their failure, have brought this bank rather prominently before the public of late. All these banks pay a dividend varying from five to six per cent., and report good reserve funds, judicious management having enabled the directors (at least so they say at every yearly or half-yearly meeting) to keep their business within the

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THE CITY;

OR,

THE PHYSIOLOGY

OF

LONDON BUSINESS.

Edw. J. Bacon

THE CITY;

OR,

THE PHYSIOLOGY

OF

LONDON BUSINESS;

WITH

SKETCHES ON 'CHANGE,

AND AT THE COFFEE HOUSES.

[David Morier Evans]

LONDON:
BAILY BROTHERS, EXCHANGE BUILDINGS.
MDCCCXLV.

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LONDON :
R. CLAY, PRINTER, BREAD STREET HILL.

PREFACE.

THE City is a world within itself. Centered in the heart of the metropolis, with its innumerable capacities for commercial pursuits, it presents at first sight, to a stranger, a most mysterious and unfathomable labyrinth of lanes and alleys, streets and courts, thronged with a bustling multitude, whose various occupations, though uniting in one grand whole, seem to have no direct association with each other.

London, the emporium of the world, when viewed in connexion with mercantile objects, can only be properly estimated by a knowledge of the character and manners of those who, forming the general mass of its traders,

have assisted to establish the position thus obtained. The peculiarities of these people, who, in their business habits, are only brought together in small circles, weighty and important as their transactions must be, are not easily discovered by the superficial observer, but require some acquaintance, and even connexion with them, before anything of an outline can be given of the manner in which operations are conducted, or a description penned of the several resorts in which these are concluded.

Of the general fact that the chief aim of the city-man,—whether he be banker, merchant, broker, or speculator,—is to raise and amass wealth, there is no doubt; for, in all walks of life, whenever conversation turns upon the subject, this appears to be well known and admitted; but then, as regards the way in which the several sections of this community shape and divide their course to arrive at this result, there seems to be scarcely any information whatever. In the few sheets, which are now given the public, it is not professed to disclose the secret of the philosopher's stone, or to afford, by fixed rule and circumstance, a guide to the acquisition of inexhaustible riches, but what will be attempted is merely a rough history, the materials for

which a few years' experience has placed at the disposal of the writer, and which, if not in every respect minute, will, at all events, give such an insight into City business, as to put the reader in possession of much information which he has not already obtained.

Few people, except those well acquainted with the purlieus of the spot brought within the compass of the region about to be described, would imagine that, within the confines of the Poultry, Cornhill, Threadneedle-street, Lombard-street, Lothbury, and Broad-street, the vast amount of the commerce of England may be said to be transacted, or that the dingy counting-houses discoverable everywhere in the nooks and corners of the intersecting thoroughfares, are occupied by our first merchants and traders, many of whom hold foreign governments as heavy and responsible creditors. Many of course are aware, that the stock markets are for bargains, in money securities—that 'Change is the great mart of the merchant—that Lloyd's is most particularly identified with the shipping interest—and that the Jerusalem, and the North and South American Coffee Houses are places wherein traders and captains meet each other for the ordinary purposes of their

respective vocations—yet, while this is the case, there exists, doubtlessly, a considerable majority who, if they have heard or known of the several establishments, with their occupants, have never gleaned information of the nature of their different customs and pursuits.

If this volume should be considered to have assisted in the dissemination of such information, the end of the Author will have been gained, and the height of his ambition accomplished.

Exchange Buildings, Cornhill,
October, 1845.

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CHAPTER I.

CITY LIFE—THE POWER AND RICHES OF ENGLAND—THE BANKING INTEREST CONSIDERED—THE BANK OF ENGLAND—MEETING AND DIVIDEND—MANAGEMENT OF THE PUBLIC DEBT—CHANGE IN THE CHARTER—COMPETITION WITH PRIVATE BANKS—CONTRACTION OR EXPANSION OF ISSUES—THE BANK PARLOUR—PORTRAITS OF CASHIERS—ABRAHAM NEWLAND—BANK CLERKS' SALARIES—PRIVATE BANKERS—SAMUEL JONES LOYD—FAILURE OF PRIVATE BANKS—PROGRESS OF JOINT-STOCK ESTABLISHMENTS—COMPARISON OF JOINT-STOCK BANKERS' CLERKS WITH PRIVATE BANK CLERKS—SALARIES IN JOINT-STOCK ESTABLISHMENTS—COLONIAL BANKS—THEIR SUCCESS IN BUSINESS—BILL DISCOUNTING—THE CHIEF HOUSES AND MODE OF BUSINESS—SKETCH OF MR. SAMUEL GURNEY—SECOND AND THIRD CLASS DISCOUNTERS—MR. THOMAS ROGERS—THE CLEARING HOUSE AND ITS FUNCTIONS.

WHATEVER may be said or thought of city life by those who are unacquainted with the nature of mercantile pursuits, the habits of activity induced by regular attention to business, and the success of enterprise connected with it, plainly demonstrate how poor in circumstances, and how feeble in power, would any nation be who discouraged a proper direction of commerce.

The metropolis, the pivot upon which the wealth of England turns and radiates to its several points of importance, is the scene of the motion of trade. The banker, and the merchant, and the various other agents

that assist in this great movement, are the instruments working up the immense riches and power which we of the United Kingdom possess; and making every proper allowance for accessories furnished from external sources, the question only admits of one answer,—"What would have been the political importance of England in the scale of nations, had not her merchants steadily pursued a career of commerce?"

As far then as may be interesting, we propose to detail something concerning this class of persons, and the particular manner in which they associate in their city haunts. Of the importance of the Banking interest, and the wealth of its members, the fact has been for centuries acknowledged; and regarding it, under such circumstances, with favour and affection, we have made it the first chapter of our book.

The bankers of the present day are neither the Jews nor the goldsmiths, who, by extortion, once crippled the resources of our country, and considered themselves the privileged phlebotomizers of royalty, so long as the apathy of the populace allowed their monarchs to revel in extravagance and debauchery. Thank Heaven, that era has passed! The present is one of commerce and fair profit, in which a return is expected for invested capital, on the equitable principle of reciprocity, should parties have the opportunity of assisting each other.

As we first propose to treat of bankers, we shall begin with the great national establishment—the Bank of England. This bank is governed by a court of twenty-four directors, eight of whom go out of office every year, when

eight others are elected. Half-yearly dividends are declared, and the proprietors now receive 7 per cent. per annum on the stock. It is the most absolute corporation in the country; for although the proprietors meet twice a-year to be informed of the state of their affairs, little or no information is gained beyond the amount of the "*rest*," or reserve fund, or the addition to, or decrease from, the "*rest*," after the dividend is satisfied. As a matter of favour, the Governor will sometimes give satisfactory answers on the condition of business at the branches, or on the increase of discount transactions; but these are concessions not always made with the best grace, and the proprietors very frequently retire from the Bank parlour as much in ignorance of the real position of their affairs as when they entered. The majority, however, complacently submit to the will of the directors; and as long as a good dividend is continued, there is little fear of their activity interfering with the persuasive rule of the court.

As the regulator of the currency, the powers of the Bank have been much curtailed by the alteration of the charter. The issue of paper, on securities, is not permitted to exceed 14,000,000*l.*, and a considerable reduction has been made in the allowance for the management of the public debt. It is very well known that the Bank authorities pay the dividends on the English securities; that is to say, Consols—Reduced—3¼ per Cent. Annuities—and Long Annuities; and for this they are allowed a certain sum per annum.

By the late change, the Bank directors are supposed

to have lost several sources of profit, and they have therefore opened new channels for the employment of their capital. Hence they have come into the open discount market, much to the annoyance of the private bankers and bill brokers, as candidates for business at rates which it is impossible for their competitors to render more attractive for business; and there may now be said to exist a "neck and neck" race between the houses in Lombard Street and their great parent of Threadneedle Street, for that branch of money operations which the latter never before craved to possess.

It would be idle to particularise at any great length the system of business pursued at the Bank of England, or at banks in general. Indeed it is so well known by those who have had the least insight into life, that it would be almost waste of space to do so. One or two facts may, nevertheless, be mentioned in connexion with the subject, and these are of an interesting character. The Bank of England is admitted to conduct business on a very sound principle, and it is presumed the changes caused by the late charter, will effectually relieve it from the heavy responsibilities it formerly incurred in times of scarcity or abundance of money.

Whether it be true or not that the measures pursued by the magnates of the Bank parlour under the old administration of affairs were calculated to affect the great good, or produce the great evil, contended by the various opponents or supporters of the system, still they received credit on the one hand, and blame on the other, according to the current of events. Now, they are fairly sheltered

from the flattery of their friends, and secured from the sneers of their enemies; for since the issue department is clearly under government control, they cannot be supposed to exercise any undue influence on the circulation, either by means of contraction or expansion, the two great extremes for which they were either praised or condemned. The happy deliverance thus effected, must be a source of self-gratulation to all the four-and-twenty gentlemen who now stand inside the bar of the parlour.

Speaking of the Bank parlour, as that is an apartment not accessible to every person who pays a visit to the Bank of England, we may here introduce a short description of its interior. The Bank parlour is the room in which the directors consult in conclave on the business of the establishment, and where also the proprietors meet every half-year, not to receive an account of their affairs, but to hear the announcement of the dividend. It is a magnificent room, but rather meanly furnished with lengthy mahogany settles, covered with faded crimson merino; the walls are without the least decoration; and a bridge of tables, the deformities of which are hidden by green baize, alone separates the directors from the proprietors. A few scattered chairs is all the accommodation offered to the directors while the meetings are in progress; but these are seldom or never filled, as they generally stand out the quarter of an hour or twenty minutes the proceeding lasts. The attendance of the directors under such circumstances, would, without question, be considered a fatiguing process, did not the ear suddenly encounter the rattle of cups and saucers, and the eye discover a very

spruce messenger, with white cravat and light pumps, gliding stealthily behind the screen from and to the room where the refreshment is served. We have been at the Bank meetings on several occasions, and the only regular sitter during the proceedings was Mr. Pattison, M.P., whose corpulency was an excuse for this practice.

The lobby to the Bank parlour is the only place in the establishment which is at all indebted to art for attraction. Here we have a few of the old cashiers of the Bank, painted with remarkably grey wigs, lay down collars, and stiff lace ruffles, including that singular character Mr. Abraham Newland, who rose from a baker's counter to be chief clerk of the Bank of England. We suppose the directors have discontinued the plan of panelling the memory of departed officers, for we see none of those to whom common report assigns part of the management of later years.

The number of clerks employed in the Bank of England is about 800, and the salaries rise from 50*l.* to nearly 2,000*l.* a-year. To reach a maximum salary, such as that last named, requires years of steady perseverance and great abilities for business. The posts immediately below those of the directors command these incomes, and do not, we imagine, extend beyond the head cashier's office or the secretary's department. The more general average of salary in the Bank of England ranges from 170*l.* to 300*l.* a-year, and this may be rather over than under the mark, considering that by the recent alteration of the charter and the separation of the issue from the

deposit department, a number of additional hands were introduced, all at the low rate of salary.

A person can never take office as a Bank of England clerk till he is seventeen years of age, when his salary commences at 50*l.* per year; and never after twenty-five years of age, when he is paid 100*l.* per year. In the intermediate years up to the age of twenty-one, the salary increases at the rate of 10*l.* per annum, but after that period the advance is restricted to 8*l.* per annum. If a clerk enters between twenty-one and twenty-five, no difference is made in the scale of remuneration; he merely receives his 100*l.* a-year, the same as his junior in age, and gets no increase till after he has attained twenty-five. If he enters at eighteen years of age, however, he receives 60*l.* a-year; if at nineteen, 70*l.* a-year; and if at twenty, 80*l.* a-year.

The situations of Bank clerks are earnestly sought for, like all other official and mercantile employment; but it requires influence, as well as good security, to obtain them. The salaries at the Post-Office, the East India House, and the Docks, are regulated much in the same manner; and the patronage of Directors, or other friends associated with the concerns of the several establishments, is enlisted to get a berth in them.

The private bankers, in almost all cases, make it a rule not to accept any individual as clerk under twenty-one years of age, but place no restriction upon persons taking office above it. The first salary is 80*l.* a-year, and increases from promotion, by rotation, to 600*l.* a-year, which is well earned if ever obtained, for longevity is, under

these circumstances, the chief ingredient of success. Most of the private bankers employ between forty and fifty clerks each, and the fair average of salary they receive is 200*l.* a-year. A post of confidence must be held before a maximum of 600*l.* a-year is gained; and not more than two or three, if so many, of this character exist in a firm, as to give a chance for general competition.

The chief cashiers, or those to whom the management of business may be deputed in the absence of the partners, are the persons who receive these salaries. In these cases, even a larger remuneration is paid by some banks; but then such individuals stand rather in the capacity of managers under the eye of the principals, than clerks in the usual acceptation of the term. The Bank of England, the private banks, and other establishments of a public character in the city, make provisions, in the shape of pensions, for old and infirm servants, and not unfrequently assist their families when their decease takes place.

The private bankers of London number sixty firms, with two hundred and seventeen partners. The leading houses carrying on business in the midst of the City, amount to thirty-two; the remainder prosecute their operations from Cheapside to the extremity of Charing-Cross and Old Bond Street, westward. Of West-end bankers, there may be said to be thirteen or fourteen; the other establishments not carrying on business in the City, being Smithfield banks, or country agencies with a small private town connexion.

The first London private bankers were Sir Thomas Gresham and Sir Josiah Child; the oldest houses now in existence are believed to be those of Willis & Perceval, Hoare & Co., Snow & Co., and Stone, Martins, & Co., all of which are wealthy firms. Jones, Loyd, & Co. stand very high for wealth, and the property of the partners is said to be worth nearly 3,000,000*l.* sterling.

Mr. Samuel Jones Loyd, the leading member of the firm, is the first banking authority in the country. He has published innumerable pamphlets on the currency question, and has the credit of having been consulted by Sir Robert Peel on the late changes effected in the powers of the Bank charter.

We first saw Mr. Samuel Jones Loyd to advantage at the meeting of Bank Stock proprietors, when the terms upon which Government proposed last year to renew the charter were discussed. It was a very full court; and after a number of the members had expressed their opinions, some in favour of, and some against, the acceptance of the conditions, a call was made for Mr. Loyd. Silence being restored, that gentleman rose, and in a short but well-delivered speech, touched the various points broached on the subject, and finally concluded by giving his assent to the measures proposed by the Government for the future direction of the affairs of the Bank. He was not verbose, though his sentences were rather lengthy; his language was good and appropriate, and, making allowance for a little studied enunciation, he certainly displayed great tact in the manner in which he treated his audience. Breathless attention was paid to

all he said; and the weight attached to the opinion of a person who has given so much consideration to the banking affairs of the country, does not appear to be in the least overrated. Mr. Loyd, we should say, must be nearly fifty years of age. He has a fine intelligent face, grey hair, and light blue eyes. His dress and appearance more betoken a wealthy, well-bred country gentleman, who spends much time in the sports of the field, than a London banker, and one of England's best financiers, his fine athletic frame seeming rather to be the result of rural life, than the close confinement of the partners' room of a private bank. His speech at the Bank meeting was followed by general applause, and was said by impartial critics to be the only one worth hearing among the whole of the orations (not even excepting Mr. Cooke's) delivered on that occasion.

The other very important City private banks are, Messrs. Glyn & Co.; Messrs. Barclay, Bevan & Co.; Messrs. Smyth, Payne & Smith; and Messrs. Masterman & Co. The two first-named houses transact an enormous business as agents for country banks, in addition to their long-established and vast town connexions. Messrs. Glyn & Co. have, within the last few years, largely increased their operations by being favoured with the accounts of many of our first-rate railway companies; the high standing Mr. Glyn has taken in his position of chairman to the London and Birmingham company having merited the confidence of the directors of such associations. The other houses have large mer-

cantile connexions, and through this medium continue to derive considerable profits from their business.

The first blow to confidence in private banks was the numerous failures in 1819-21, which immediately gave rise to the Joint Stock system. These being closely followed by the more important stoppages of 1836-37, and of 1840-41-42, the new constitution of banks on this principle soon gained firm root. Although the greater number of the houses that failed were country bankers, still as they included Messrs. Wright & Co., Messrs. Whitmore, Wells & Co., Messrs. Weedon & Co., and other London bankers, the security of the public became a question of universal consideration. Besides, in many instances, it was found, when the several estates were brought under the administration of Bankruptcy, that such had been the reckless appropriation of the property of customers, that scarcely any regard had been paid to the most sacred trust the partners had entered into.

In some of the country failures it was discovered that the firms had gone on for years after a knowledge of utter insolvency; and in others, that so desperate were the shifts resorted to in order to maintain the credit of the bank, that the acting principals had not hesitated to lay themselves open to criminal proceedings, had creditors thought proper to institute them. Some of the London cases exhibited features quite as deplorable;—John Wright of Covent Garden was no better than the Ridges of Chichester; the Wakefields of Throgmorton Street were worse than the Wigneys of Brighton; and all

developed breaches of confidence most pernicious to commercial reputation. The judgments of the Bankruptcy Commissioners, under these different estates, were of a description perfectly justifying the refusal or suspension of the certificates of the various parties.

In the meanwhile, though Joint Stock banks had made way in the country, failures connected with them took place, which for the while crushed much of the influence they appear destined to exercise upon monetary affairs. Several of these, which were patronised in a most encouraging manner in the Lancashire districts, after being made the convenience of certain speculative mill-owners, manufacturers, and others, suddenly exploded and ruined the shareholders.

The West-end private bankers enjoy very stable reputations. Principally they are banks of deposit, whose customers do not overdraw their accounts or require advances. Coutts & Co., Childs & Co., and Cockburn & Co., with others, are all known to possess very large balances on current accounts; and thus they are relieved in a great measure from the responsibility attaching to business which requires either bill or loan accommodation. Their friends and patrons being members of the nobility and aristocracy of the kingdom, they continue year after year, in individual cases, in charge of balances varying from 5,000*l.* to 50,000*l.*

The Joint Stock system has made sufficient progress within the last fifteen or twenty years to raise five establishments of great pretensions in the metropolis, which having hitherto been prudently conducted, tends

much to increase the favour of the public towards them. The chief of these is the London and Westminster Bank, which has five branches besides its head establishment. This bank was organized and started by Mr. J. W. Gilbart, who has done great service in working the system in London. The London Joint Stock Bank was the next established, and these were quickly followed by the Union Bank of London, the Commercial Bank of London, and the London and County Banking Company. The London Joint Stock Bank has one City, and one West-end establishment; the Union Bank one City, and two West-end establishments; and the Commercial Bank of London one City, and one West-end establishment. The London and County Bank has one establishment in the City, and one establishment in West Smithfield, besides thirty-nine branches in the country, through which a large portion of its business is understood to come. The suits that have occurred between the directors of this bank and the assignees of Messrs. Acraman & Co. of Bristol, respecting their right to hold a certain quantity of the scrip of the Royal West India Steam Company, deposited in their hands by Messrs. Colls, Thompson & Co., the discount brokers, who were customers of the establishment previous to their failure, have brought this bank rather prominently before the public of late. All these banks pay a dividend varying from five to six per cent., and report good reserve funds, judicious management having enabled the directors (at least so they say at every yearly or half-yearly meeting) to keep their business within the

limit of a small amount of bad debt, while profits are well supported.

One of the attractions of the Joint Stock system has been the allowance of interest on "current" as well as on "deposit" accounts, the rate being regulated between one and two per cent. according to the abundance or scarcity of capital. Most of the Joint Stock banks regulate the payment of interest on "current" accounts by allowing it only on the lowest balance of the month, and hence it is always the policy of the customer to pay in before he draws out, that he may keep up his balance to the greatest possible amount.

The Joint Stock banks have a large staff of officers in the character of managers, sub-managers, and secretaries, beside their cashiers and clerks as in ordinary banking houses. These appointments must absorb a great deal of money, because it is necessary the several gentlemen holding them should be well paid to insure honesty and strict integrity of conduct. It is estimated that the chief managers' salaries range from 1,000*l.* to 2,000*l.* a-year, and the secretaries can scarcely receive less than from 500*l.* to 800*l.* a-year, each according to the standing of the several establishments. As, however, so much is disbursed among these superior officers, it is probable that the juniors suffer curtailment in proportion, and thus the account, as regards expenses, becomes in a measure balanced.

It is generally remarked that a wide difference exists between the class of people employed in Joint Stock banks and those employed in private banks. Instead of

meeting in the former, as you do in the latter, cashiers and clerks peering through spectacles with a steady and staid appearance, whose only inquiries are respecting the weather and the prospects of business, you find yourself in the company of sprightly young gentlemen, who talk about new operas and the other amusements of the town with all the ease of connoisseurs in high life; and whose chief study is to give effect to chequered neckerchiefs, showy chains, and mogul pins. This no doubt is the march of improvement, but to the quiet man of business, the times, in this respect, are scarcely so acceptable as the old days of white ties, venerable faces, and tranquil attention to the wants of customers. The modern improvements do not facilitate the counting or weighing of sovereigns, crossing cheques, or balancing ledgers.

It is remarkable what a large class of juveniles the Joint Stock banks have in their service—at the counter the cashiers are usually young—in the counting house they are younger—and in the interior offices many of them are mere boys who have just left school. Under a state of affairs of this description, if they go in at 50*l.* a-year and rise to 250*l.* as cashiers, the progress of twenty or thirty years cannot put them in a very comfortable position. We are told, that taking the range of salaries at this amount, we are rather without than within the mark. The venerable persons in Joint Stock banks are the manager and the secretary. Upon these the weight of business devolves, and hence experience and foresight are required. As they are supposed to take the greatest share of salary, they also are supposed to take

the greatest share of responsibility. It is, however, understood that each clerk, as in all other responsible situations, finds security to a certain amount, which, of course, operates against any alarming irregularity.

It is not only in the interior appearance that the business of the Joint Stock banks differs from that of the private bankers, but also in the exterior appearance of the establishments themselves. A Joint Stock Bank cannot be carried on without a fine building, like those of the London and Westminster, the Union of London, and the others. Height of walls, extent of plate-glass windows, liveried porters at the entrance, and large chandeliers, seem to constitute the security of these concerns; and not sober, business-looking establishments, with anciently-fashioned railed counters, as in the case of the majority of our private banks.

But notwithstanding the phase of affairs seems to have so suddenly altered, the Joint Stock banks enjoy a large proportion of public confidence, and the amount of business transacted is no doubt fast increasing. The London and Westminster decidedly stands first on the list; the London Joint Stock, second; and the Union of London, third. To carry comparison further would, perhaps, be invidious.

Since the development of the Joint Stock system of banking in London, a number of Colonial Joint Stock banks have started, many of them being carried on with questionable success. They are connected chiefly with the Australian Colonies, one with the West, and another with the East Indies. Others again have been brought

out in connexion with Ireland, and these are believed to have answered pretty well. The fault with two or three of the Australian banks, and also of the one connected with the West Indies, is that the scene of business being situated at so great a distance from the investigation of the directors in London, the large amount of bad debt incurred, to say nothing of the doubtful character of the securities held, has, in the long run, eaten up the profit of the concern, and left a loss in some cases to be provided for by the shareholders. It has also been found that managers, when so far away from the eye of their employers, have not been particularly scrupulous in using the cash of the bank. This was the case with the manager of the Colonial Bank at Barbadoes; who was subsequently found guilty and punished for the offence. In another instance the manager of a Sydney bank was discovered to be in arrear, and he made the excuse that the style of living required to keep up the credit of the establishment in competition with neighbouring concerns, could not be met by his salary.

Several of these banks are doing a profitable business, because money fetches a much higher rate of interest in the Colonies than in the London market. The Colonial Bank paid a very handsome dividend during the first two years of operations, but after that a diminution was made owing to losses, and now it has suspended a dividend altogether. Others have followed the example of some of our provincial banks—blown up, and sacrificed the wealthiest of their supporters.

The chief bill-brokers of the present day are, Messrs.

Overend, Gurney & Co.; Messrs. Saunderson & Co.; and Messrs. Bruce & Co. It is stated among City people as an average of the business transacted by these houses, that the first two, if not the third, have at least 5,000,000*l.* of paper under discount in the course of the year. The bills these houses principally discount are those of merchants and country bankers; and the rates paid vary according to the general supply of money, and the terms upon which the Bank of England is disposed to make advances. Two and a quarter, and two and three-quarters per cent. is about the current quotation for unquestionable paper, and at these prices a great deal of business has been done in the plethoric state of capital during the last two or three years; but as much as five and six per cent., even on first-rate bills, has been paid when a scarcity has existed, and when the Bank has continuously advanced its rates of accommodation. Bill-brokers advance money on all descriptions of securities, such as Exchequer Bills, Consols, wine, sugar, or other produce warrants; but they usually take care to stand in a good position, that is to say, on the right side of the value of the security they hold. The mode in which a bill-broker finds capital to discount so large a mass of floating paper, is by receiving deposits, much in the same way as a banker. Persons who have confidence in these firms, which are in themselves wealthy, will place money in their hands, receiving interest at the current market rate. For instance, if the Lombard Street broker is doing business at $2\frac{1}{4}$ to $2\frac{1}{2}$ per cent., he will allow a depositor 2 per cent. for his money, the

profitable employment of which may yield him the quarter or half per cent. If money is only left "on call," as it is termed, that is to say, to be repaid whenever required, then so large a rate of interest is not allowed, the broker not having the opportunity to turn the cash as he desires, which is afforded by a deposit for a fixed period. It must always be recollected that such low rates as these only apply to bills of first-rate character, which would receive consideration in the Bank parlour itself, and not to the ordinary class of bills afloat in the market. These houses will discount trade paper, but higher rates of interest must be paid. In most of the cases a month's credit is given; the settlement of this description of bills falls on the 4th of the month, the result of which is regarded with some little interest, especially by those engaged in the linendrapery trade, a class of dealers who have very extensive transactions in paper. The first-rate discounters have many sources of employing their capital besides the "bill business." They are applied to, and often mix themselves up with, loan contracts and other financial operations connected with foreign governments, which, making allowance for a small quantity of risk, yield them much better profit than they can realise from their general pursuits. More than one of these firms have been sufferers from the intimate relation in which they stood respecting advances to the States of Pennsylvania, Maryland, &c. The house of Overend, Gurney & Co., of which Samuel Gurney, the Quaker, is the head, stands the first for reputation and wealth, and may be said to be, in point of influence

and resources, nearly equal to any of our private bankers. The other first-class bill brokers are persons of wealth, who have at command an extensive capital, without which they would not be able to carry on the large transactions explained.

The head of the house of Overend, Gurney and Company, is Mr. Samuel Gurney, or, as he is called in Quaker language—Sam Gurney. He appears to have been bred and born in the money market, for all his relatives and friends are bankers in the provinces; and Essex and Suffolk boast of some of their wealthiest people bearing his surname. The death of Mr. Overend gave Mr. Gurney, as second partner, the management of the great house in Lombard Street; and, with a son and other partners, he now carries on the transactions of the firm with considerable success. Mr. Gurney, who is a portly and robust man, must be sixty years old; but he possesses a hale and hearty constitution, which renders his appearance much less indicative of an advance towards age than most persons would imagine. He dresses strictly in the garb of the sect to which he belongs; and his dark brown, strait-collar cut coat, with a white broad-brim of beaver, make him almost a caricature of the Rev. Sydney Smith's Pennsylvanian debtors. Mr. Gurney is reputed to be individually a very wealthy man, and must beside receive a considerable income from his business. Among his own particular fraternity Mr. Gurney is regarded as a man of sound sense and judgment; and not only do the Quakers consult him in religious matters, but they adopt his advice in their

secular controversies. To the poor he is extremely munificent; and the cottagers in the neighbourhood of West Ham, where he resides, bear testimony to his worth and kindness.

Of second and third-class bill brokers, or discounters, a great number exist both in the City and the outskirts, the repeal of the usury laws having increased the desire of many to enter into this description of business, for the sake of making the most of surplus capital. These discounters number—attorneys, tradespeople, and petty shopkeepers, who, at the risk of getting twenty, thirty, or fifty per cent. for their money, jeopardize what they already possess. Persons who have retired from business, very often "discount" for the employment of their cash; but it is most commonly a losing speculation in the end. The heavy proofs of Messrs. Warrens under Kearsley's bankruptcy, and of Messrs. Holditch under other estates, afford sufficient evidence of the little success attending twenty and thirty per cent. discounts. To use the expression of one of these Shylocks—"they get as much per centage as they can;" and the Jews have a mode so convenient of reckoning principle and interest, that eighty or ninety per cent. will sometimes not cover the expenses of renewals.

Of the third-rate class of bill brokers, Mr. Thomas Rogers is a fair specimen. This is the individual who failed on the loss of 12,000 sovereigns a few years ago, but who did not obtain release from his liabilities till he paid his creditors 20*s.* in the pound, a Subdivision Court of Bankruptcy not being perfectly satisfied with the

details of the alleged robbery. He is what the bill agents and needy ones term, "a fifty and sixty per-center;" and he must have good names at the back of a bill, as endorsees, before he writes out a cheque on his bankers. It is doubtful, however, whether this gentleman, with all his caution, and relish for law to enforce his rights, has made his business pay of late. Among the fraternity he is regarded as a shrewd man, and as one who is awake to all the manœuvres of his calling. These people visit the second-class coffee-houses and taverns; and one or two of the Hebrew persuasion, who do a great deal of business, visit Garraway's and the Auction Mart. When bills are discounted, or loans advanced at these houses, the borrower may expect to be paymaster for refreshment; and under such circumstances the lenders are always in excellent condition for feeding.

Connected with the subject of banking, the clearing house must not be forgotten.* This is an establishment in which the majority of the private bankers settle the accounts they have one with another. The clearing house is situated in the same thoroughfare, and opposite the Foreign Post Office, in Lombard Street. Formerly the business of this department in banking was arranged in a room specially set apart for that purpose in Messrs. Smith, Payne, and Smiths; but it has now so much increased as to render a separate establishment necessary.

* The clearing house is described above with much brevity, the subject having been so fully exhausted by Mr. Tate, in his useful little work.

The "clearing" bankers of London are about twenty-six in number; and the exclusive privilege they enjoy of arranging the balances of the one house with the other, through this medium, does much to facilitate their business. The operation may be thus described: The regulations for clearance are arranged by a committee of the number who compose the body (all City houses), and managed by their representatives, in most cases old and confidential clerks. These, with two inspectors, check and authenticate the result of each day's business. The room in which this is transacted is a spacious apartment, fitted up with the number of desks required for the twenty-six houses, the name of each respective firm being inscribed on them in alphabetical order.

The work done may be divided into three parts—viz. the morning's clearance; the afternoon's clearance; and the final settlement of balances at the close of the day. The business commences about twelve o'clock, the several clearers having before that hour made up accounts at their own establishments of the amounts they have to receive from, or pay to, the other firms on bills, crossed cheques, and country notes. When they meet, each clerk gives a credit, or a debit, as the result of dealings prove; and thus the state of account and balance is readily made known to the principals of each firm. The same course is pursued with respect to the afternoon clearance, which commences about three o'clock; that division including all cheques, bills, &c. that may have come in since the morning's investigation. This part of the

business is settled at four o'clock, and between that hour and five the last balance is made. After four, the rule is, that no new bill or check be received. The final proceeding, the balance of the account, is then gone into; the accounts are examined by the inspectors, and checked by the respective representatives. To distinguish the bank that is a creditor, or the bank that is a debtor, the balance paper used is printed in red or black ink, and this the inspector receives for the winding up of the account. All that then remains to be done is, for the clearing clerk to make his arrangements for payment or receipt, which he does by either handing over the amount due from him, or collecting what is due to him from other firms.

It is an invariable rule to use Bank notes in payment. Any sum below five pounds is settled by a cheque, or order, on the debtor house, which is receivable the following day. If errors occur, as is frequently the case from the rapid mode of transacting the business, they are sure to be discovered in the final arrangement of accounts by the inspectors, who then have the whole re-examined for the correction of the blunder. The private bankers sedulously exclude the Joint Stock banks from the facilities extended to business by the clearance. Even the Bank of England is not permitted the privilege; but it exercises a similar function in sending round every morning to each of the London bankers the amount for which they hold them responsible on account of bills due that day.

The West-end bankers have not the opportunity for

joining the association. Their houses are at such a distance that they cannot avail themselves of its use; otherwise there can be no doubt they would be speedily admitted. The inroad that Joint Stock banks have made upon the business of private bankers, is sufficient excuse for their exclusion. The Joint Stock banks say they have a right to admittance; the private bankers say they have none, and refuse to concede the position. As the clearing house is the property of the private bankers, there seems little chance of the demands of the Joint Stock banks being complied with. The only way the Joint Stock banks could get over the difficulty, would be by starting a clearance house of their own; but then the question is, how their power, compared with the private bankers, at present stands in this respect. A story is told of the origin of the clearing house being a post at the corner of Birchin Lane and Lombard Street, near Overend, Gurney & Co.'s, the great bill discounters, where two or three of the clerks of banking houses met for years to furnish each other with the memoranda of these accounts. The extent of business transacted through the clearing house is enormous. A late Parliamentary return shows the payments, during the year 1839, to have been on the average 6,250,000*l.* daily; the gross amount for the year being 954,401,600*l.*

CHAPTER II.

THE STOCK EXCHANGE—ITS ORIGIN—INCREASE OF BUSINESS BY THE INTRODUCTION OF FOREIGN LOANS AND SHARES—THE EXCITEMENT OF THE YEAR 1824-25—CONSTITUTION OF THE HOUSE—BROKER AND JOBBER, AND MODE OF BUSINESS—SPECULATORS AND TIME BARGAINS—STRINGENT REGULATIONS OF THE COMMITTEE—THE SPANISH PANIC OF 1835—ZUMALACARREGUI'S DEATH—BULLS AND BEARS.

THE Stock Exchange, and the business therein transacted, seem always to have been a mystery to the public, excepting the favoured few, whose occupation and walk of life have brought them into connexion with it. The operations of the speculator, the business of the broker, and the situation of the jobber, all with their different tendencies, have puzzled the public in the investigation of the secret, especially in relation to the several phases of affairs. That fortunes are lost and won by the result of the movements of the dealers, appears to be the extent of knowledge the majority of the public have on the subject.

About sixty years ago, when foreign securities, mining and railway shares were unknown, the place where the stock-brokers conducted their business was nothing but a coffee-room at the end of Sweeting's-rents; and it was

not till a large increase of speculation occurred,—first introduced by the appearance of loans contracted for the continental states, and succeeded by the enormous capital subscribed in periods of money-abundance for foreign mines, canals, &c.—that the expansion of this description of business really required a separate and distinct place of resort for those who devoted their time and attention to it. The bankers having taken up their position in Lombard-street, and established themselves in a situation which had previously been the site of the dealings of their predecessors, the stock-brokers and speculators looked out for a convenient spot on which they could concentrate themselves for action in as near connexion as possible with the Bank of England. This spot was found in the vicinity of Capel-court, Bartholomew-lane, where a suitable building was erected, the proximity to the Bank being necessary for the attendance of brokers at transfer and the other operations associated with the legitimate dealing in the public securities.

The panic caused by the explosion of the South Sea bubble gave the more adventurous class of dealers a foretaste of what was to be expected from the ruinous effects of entering into such business; but as years passed on, those who did not feel or suffer from the prostration of credit, severe as it was, forgot the occurrence of this event, and, impelled by a desire to encourage the new notions of the day, again created a monster more appalling than the first. The Stock Exchange, in its more important position, with an increase of members, furnished immense facilities for these new speculators,

and here was organized a point for monetary dealings which cannot be surpassed by any other similar establishment in the world. By the introduction of foreign securities, and mining and canal shares, all of which, according to estimates, were to return a much higher rate of interest than our own Government Stocks, a much more extended scope for speculative transactions was afforded, and the temptation held out to persons wishing to get a more than ordinary return for their capital, secured a stroke of business, the like of which the brokers had never before possessed. This increase, therefore, led to a proper appointment of apartments for the dealing in English and foreign stocks; there being one room for English bargains, and another for foreign bargains, one corner of the foreign room being appropriated for buying or selling the shares and scrip certificates of the numberless companies which from time to time have been introduced to the Stock Exchange.

The year 1824-25, so prolific in joint stock projects, contributed much excitement and added to the general business of the markets, by the various fluctuations that then took place in all descriptions of securities; and this only succeeded, or was in a certain degree contemporaneous with, the loans to several of the Spanish-American States, which also gave great life to speculation, and caused the bonds issued by those governments to reach a price some forty or fifty per cent. above their real value. The world was then, as it is in the present day, absolutely mad for speculation; and the folly was only apparent when the reaction came, and when most

people were either the more or the less damaged by the event. It has been asserted, and we believe with truth, that such was the excitement when the Peruvian loan was issued, that it was publicly sold on the benches of the Royal Exchange to the highest bidder. The loan was for a small sum—hence the subscribers who obtained any portion of it were a limited number; and so great was the anxiety of the speculators to have a share, the enormous rate of 6 per cent. being promised, that they even resorted to the scheme of a public auction to gain their end. On the benches of the Royal Exchange, we believe, sales were made at the high price of 90. It only, however, required a few years to show the true worth of the stock, for after the Peruvians had paid one or two half-yearly dividends, having the money safely in their own hands, they suspended all further payment, and to this day the debt remains unarranged.

It was during excitement such as this that a certain number of the mass of operators made large fortunes; but, as in either case, whether loss or gain, it brought business to the Stock Exchange, there was food for the markets and their supporters—all that was required to keep speculation afloat.

As a committee exists in whom are vested strong and salutary powers for the guidance of the members of the market, the rules are framed sufficiently stringent to protect the general body from serious peculation in shape of fraud or doubtful business. It is by these means that they are enabled to steer clear, in a great many cases, of the involvements that would often result from heavy

speculations, or dealing with irresponsible people; for as they are aware that a defaulter is never readmitted to the House before he has paid 6*s.* 8*d.* in the pound, they exercise the necessary caution to keep themselves out of trouble. Of course failures occur, and these pretty often, when there has been a continuous rise or a sudden fall in prices,—but not to the extent which would actually take place were the committee to relax their rules, or give by their decisions in disputed cases the least encouragement to irregular dealing. The committee have great power, and few complaints are made of the manner in which they enforce it. They consist of the leading men of the house, and within the last few years in one instance only (that of Mr. Wakefield, sen.) have any of its members been unfortunate. Mr. Wakefield, it will be remembered, failed for a very large amount indeed, and appropriated, among other sums not his own property, 7,000*l.* Exchequer Bills belonging to the fund for the decayed subscribers. The present number of members of the Stock Exchange, including many lately admitted, approaches nearly 800; each paying a subscription of 10*l.* per annum, besides finding securities for between 800*l.* and 900*l.*

In tracing more minutely the history of the Stock Exchange and its government, it appears that it was first erected in the year 1804, and was at that date exclusively devoted to the transaction of the business in the English funds, the jobbers and speculators in the foreign stocks being excluded, and compelled to transact their dealings on the walks of the Royal Exchange. A

few years elapsed and this distinction was abolished, and every member has now a perfect right to operate in any security for which he can find a market. The broker is always ready to purchase or sell for his principals whatever stock or shares the latter may wish to "do business in;" while the jobber, on the contrary, generally confines himself to some particular security. Those who profess larger capacities than others, are accustomed to deal promiscuously in any stock to which they may feel disposed to turn their attention.

The difference between the "broker" and the "jobber," the two classes of dealers in the market, may be thus explained. It is the business of the broker to receive and execute the orders of bankers, merchants, capitalists, trustees, and private individuals, who are, except through this functionary, excluded from the Stock Exchange. As none but duly admitted members of the House can transact any business, those whose duty or inclination leads them to deal in the public funds, either as speculators or *bonâ fide* investors, are necessarily compelled to employ the regularly sworn brokers of the establishment. The usual commission charged by the broker is $\frac{1}{8}$th (*2s. 6d.*) per cent. upon the stock sold or purchased; although of late years this insignificant charge has been often reduced 50 per cent., especially in speculative transactions, a reduction ascribed to the influx into the market of a body of brokers who will "do business" almost for nothing, provided they can only secure customers. Our readers can hardly imagine the trouble occasioned to a stock-broker by an order for

a trifling investment in the English funds. It matters not whether he has to buy 100*l.* or 100,000*l.* Consols; the same forms must be gone through at the Bank of England; and after, perhaps, losing a whole morning (every minute of which is worth an hour) in effecting the necessary transfer, the broker receives for his remuneration the enormous sum of 2*s.* 6*d.*, or 5*s.*!

The brokerage business in foreign or fluctuating stocks, pays far better; but then the broker is almost always liable to heavy losses from the failure or defalcation of principals. In Consols, and the Reduced securities, where business is transacted for money, and the whole affair is settled in the course of the day, the broker is safe; and if he can only secure a constant succession of *bona fide* orders for the purchase or sale of English stock, he may consider himself a fortunate man, and live for the most part emancipated from that wearing anxiety which is inseparable from a gambling or "time-bargain" business. The brokerage on shares varies according to the value of the stock, from 1*s.* 3*d.* up to 10*s.* per share, and is regulated as follow:—Shares upon which 1*l.* and 2*l.* only have been paid, 1*s.* 3*d.* per share; shares of 5*l.* and under 20*l.* value, 2*s.* 6*d.* per share; shares of 20*l.* and under 50*l.* value, 5*s.* per share; and shares of 50*l.* and upwards in value, 10*s.* per share.

The jobbers are a class of members who remain stationary inside the stock-market, in readiness to act upon the orders received from the brokers. They stand in almost the same relation to the brokers as barristers-at-law do to solicitors, being chiefly dependent upon their

favours. They are men who, possessed of a capital, (as little sometimes as 300*l.* or 400*l.*) endeavour to turn it to profitable account in the following manner:— When brokers present themselves in the market to "do business," the jobbers are, or ought to be, always prepared to make a price. The readiness which they display in offering to do business to large amounts at the apparently small difference of one-eighth per cent., would seem extraordinary, were it not a fact, that they are so numerous, that an eager and active competition is excited among them to get the orders of the brokers. When a broker comes in as a buyer or seller, he is instantly surrounded by a number of jobbers, who announce their readiness to take or supply whatever amount of stock he has orders to deal in at a price varying the $\frac{1}{8}$th (2*s.* 6*d.*) per cent. To explain; if a certain broker has business to transact in 5,000*l.* Consols, the jobber will offer to buy his 5,000*l.* at the market price, say at 97, or to sell him the same amount at 97$\frac{1}{8}$th, without being in the slightest degree aware whether the broker has orders to buy or sell; thus taking on himself the risk of selling that which he does not possess, or buying what he has no intention to keep, his only object being to *undo* his bargain at a difference of $\frac{1}{8}$th per cent., and sometimes at only $\frac{1}{16}$th, with another broker, who may have to effect an operation precisely the reverse of the other; which $\frac{1}{8}$th, or $\frac{1}{16}$th per cent. constitutes the profit of the jobber. The principal has not only, therefore, to pay his broker a commission of $\frac{1}{8}$th per cent., but also to contribute to the profit of the jobber, who having the market

in his power, makes a price which gives him (the jobber) an advantage of $\frac{1}{8}$ per cent. For instance; when the price of stock is quoted either by a broker, or in the public prints, at 35 to $\frac{1}{8}$, the public are given to understand, that if they have stock to sell, they can only obtain 35 per cent. for it; but that if they are buyers, they must give $35\frac{1}{8}$ per cent. The lowest price quoted is the selling price, and the highest the buying price. In many stocks the difference is as much as $\frac{1}{2}$, or $\frac{3}{4}$ per cent.; and this is called a "wide margin." In Consols the difference is never more than $\frac{1}{8}$ per cent. But the business of the jobber is one of loss as well as profit. He occasionally runs considerable risk, since, after concluding a bargain, and while endeavouring to obtain a profit thereon, the market may suddenly change, owing either to extended sales, or continued purchases. A clever and experienced jobber will, however, often extricate himself from this awkward situation, either by borrowing stock to deliver to the broker, or money wherewith to pay for the stock he has purchased, as the case may be, and so wait for a more favourable opportunity of *undoing* his bargain. He may also have recourse to an "option," a transaction which, however, besides being illegal, and not recognised by the Committee, is chiefly confined to the speculators within the House. It is, moreover, so intricate and complicated, and depends so much upon the opinion or caprice of the parties who do this sort of business, that it would be no easy matter intelligibly to describe it.

Without the intervention of the jobbers, it is quite

evident how great a difficulty would be opposed to the conclusion of the numerous and extensive transactions that daily take place. The jobbers are in reality the "middle men," who stand in the house in the character of dealers, always, or almost always, ready to buy or sell, thus obviating the necessity of any broker seeking a second broker, with whom to transact his particular business; or, in other words, whom it might suit to buy the stock which the first broker had to sell, or *vice versâ*. Now, in this case, even if a second broker could be found, he might not be able to concur in the precise amount of stock in which the other had to operate; whereas the jobber is ready to do business to any amount, even to the smallest fraction, and hence prevents much time and labour from being fruitlessly consumed. It sometimes happens that a broker who has orders to dispose of shares not current in the market, is compelled to wait for months before he can find a buyer, or otherwise, as the case may be; whereas, in reference to stocks and shares passing freely in the house, the jobbers offer themselves as buyers or sellers at a moment's notice, and thus afford facilities which could not be effected without them. It is, however, true that, occasionally, when a broker has business to do in shares not much dealt in by the jobbers, the latter will often "put on the screw" rather tightly, and make a "wide" or nominal price, for the purpose either of avoiding the thing altogether, or of securing to themselves an advantage sufficiently great to counterbalance their reluctance to buy or sell the stock in question. In such a case, the jobbers will try their utmost

to discover whether the broker be a buyer or seller; and if they can once succeed in doing so, he is quite at their mercy, being either driven out of the market, or forced to do business on hard terms. These instances may, however, be said to form an exception to the general rule.

Having thus far described the difference between broker and jobber, and the course of dealing for "money," we may now proceed to notice "time bargains," or speculative transactions. The very existence of the Stock Exchange, as at present constituted, almost depends upon speculations in "time bargains;" inasmuch as when there exists a body of nearly 800 members, the actual "money," or *bona fide* business, would be utterly inadequate to provide employment for them all, notwithstanding the enormous magnitude of the National Debt, and the amount of foreign and other securities. "Time bargains" are purchases and sales of stock for future, but certain fixed periods, regulated by the Committee of the Stock Exchange. The supposition is, that these transactions originated in the business which has always been transacted in the English funds during the period in which the books for the transfer of stock are shut. For instance, Consols generally close about the beginning of June and December; that is to say, the transfer books at the Bank of England are shut for the space of five or six weeks, in order to allow time for the preparation of the dividend warrants, which are always paid in the following months, January and July. It is obvious that an individual who wished to buy or sell that parti-

cular stock during the period referred to, would be unable to effect his object; hence in order to secure the price of the day, he buys or sells the stock "for the opening;" that is, for actual transfer on the day when the transfer books are re-opened. The only disadvantage is the slight delay that is occasioned to the transfer of the stock, or the payment of the money to the individual in question. This mode of doing business is quite legitimate, and in no degree partakes of the nature of gambling; but the practice has given rise to operations of the greatest magnitude, founded, not on actual necessities, but solely on speculation; and the method having been found convenient at one period, has been continued on subsequent occasions without, however, possessing the same pretext for its adoption. Periodical dates have consequently been fixed upon by the Committee, similar to the "opening," at intervals of about six weeks, as far as Consols are concerned, and at intervals of a fortnight as far as concerns shares and foreign stocks. On these settling days are arranged and adjusted all the bargains made during the preceding six weeks for that particular day; those jobbers who sold stock having to deliver it, on the one hand, and those who bought stock having to accept and pay for it, on the other. But with the majority of the speculators the matter is quite different; their bargains have been purely of a gambling nature, based upon their anticipations of a rise or fall in the securities in which they deal during the six weeks that intervene between each settling day. So whatever differences may exist between the price at which a party

commenced his speculation and that at which he finally closed, it is settled—must be settled—on these important days; and his operations not having, most likely, been confined to the same jobbers, but having been effected with several, it becomes necessary to balance them with the parties concerned. Much the same process takes place on this occasion as that practised at the banker's clearing-house, by establishing balances between each other, chiefly through the medium of an average, or "making up" price. If the average or general price of Consols during one account be $95\frac{1}{2}$, all parties who have bought or sold at that price endeavour to avoid the necessity of paying or receiving the differences, by cancelling or neutralizing the balance between each other. Whatever balance remains unsettled by this process is adjusted as follows. The name of the *bonâ fide* purchaser of the stock (who intends to receive and pay for it) is passed from one broker, or jobber, or speculator to another, until it comes at length into the hands of the opposite party, the *bonâ fide* seller (who intends to deliver and receive the price of the Stock). By this means all the intermediate persons through whose hands it passes, are enabled to close their accounts with each other at the particular, or "making up" price, and receive the differences accordingly. In short, all transactions kept open until the settling day must then be closed, and the party who delays this operation till the last moment, is frequently exposed to a loss, from the difficulty of finding others, who, having adjusted their own accounts, are unable or unwilling to enter into any

fresh transaction on this day of reckoning, whereby he is compelled to pay an extra price to those who have it in their power to afford him this facility, in order to enable him to close his account. Those brokers or jobbers who have been unlucky in their speculations, and, having to pay heavy balances, are unable to procure the money, are compelled to announce the disagreeable fact to the Committee, who immediately declare them to the house as "defaulters," and exclude them altogether from the market. Many fearful "settling days" are recorded in the annals of the Stock Exchange. Those which took place during the great Spanish panic in 1835, were positively awful. The Stock dropped 5 and 10 per cent. at a time—crash succeeded crash—failure followed upon failure; and those few fortunate members who escaped the wide spreading calamity, describe the scenes then witnessed as sufficient to have struck terror and dismay into the most courageous and undaunted heart.

Many of the bargains, however, which are made for this particular settling-day, are really *bonâ fide* transactions; the stock bought and sold being, in point of fact, delivered by the actual holder and taken by the new purchaser. The process is one of daily occurrence, and not necessarily confined to a settling-day, although on such occasions it usually amounts to a considerable item, from its having extended over a much wider period. In either case, however, the following is the way in which the matter is settled between the broker and his principal who has sold the stock. The broker ordinarily passes his cheque for the proceeds of the sale to his

principal, taking the precaution to cross it,—*i.e.* to write the banker's name across the cheque, into whose house the principal intends to pay it. When, as is sometimes the case, Bank of England notes are demanded instead of crossed cheques, the bargain is made accordingly. In this contingency the jobber who buys the stock provides the bank notes by borrowing of those who may have large balances at their bankers, or by other means. The notes so borrowed by the jobbers are then paid over to the broker, and by the latter to his principal. This operation is, however, seldom resorted to by real men of business, unless they have reason to suspect the credit of the party who draws the cheque. The jobber, on the other hand, having sold the stock to another broker, who has to buy for his principal, receives his cheque in return; hence, by this simple process of passing four cheques,—viz. that of the purchaser to the broker—that of the broker to the jobber—that of the jobber again to the broker who first sold the stock—and that of the latter to his principal, the whole transaction is completed. It is no uncommon thing for 10,000*l.* or 20,000*l.* to be passed from one hand to another merely through the convenient medium of these crossed cheques. If bargains in the public securities were obliged to be settled in hard cash, or even in bank notes, the business could never be got through; whereas by the existing system, millions of money may change hands without the necessity of calling into requisition a single current coin of the realm.

Brokers and jobbers who are suspicious of the validity

of certain cheques paid to them on the settling-day, remain in the city until after clearing time, to ascertain whether the draughts are accepted by the banker's representatives, or rejected by them, for want of assets. A broker to whom a large cheque is thus returned would be placed in a most embarrassing situation, especially if he had drawn to the utmost extent on his own banker, in anticipation of being credited by them with the draft in question, perhaps one of 5,000*l.*, or even more.

The transactions in the foreign market are carried on much in the same way as those in the English stocks, except that the "settling-days" are much more frequent, occurring as we have said once in every fortnight. Although the foreign house, as already remarked, is to a certain extent of modern origin, it is subject to almost the same regulations as the English, with a few trifling exceptions. The foreign market is the centre for dealing in the foreign stocks, as well as in railway, mining, dock, canal, and other descriptions of shares. The jobbers in this market are distinct from those in the English house; but, notwithstanding, they are quite at liberty to deal in both if they can find the necessary business.

Associated with "time bargains," may be noticed that important branch of Stock Exchange business, known by the denomination of "continuation," or "carrying over." This is nothing more than interest for money borrowed, or lent, on the security of stock. The rate of this interest, or "continuation," varies according to the abundance or scarcity of money, and the value of the proffered securities. For example:—on British stocks, even when

money is very scarce, it seldom exceeds the rate of 5 per cent. per annum from one account to another. It is different in the foreign market. Here, where the security consists of foreign bonds of doubtful description, the rate ranges from 5 to 15 per cent. per annum; although it seldom attains so high a point as the latter, except on extraordinary occasions. Several causes will tend to produce this variation in the rates of "continuation." In the case of Consols, which constitute the only good stock for speculation in "time bargains" in the English market, the price varies so little in comparison with the value of the stock in the course of an "account," that the security is considered available in itself, and so the extra charge is comparatively small in amount. With respect to foreign stocks, which are continually fluctuating, a fact readily accounted for by the extremely precarious nature of this description of property, the rule is quite the contrary. Many of the foreign bonds in circulation on the Stock Exchange have ceased to bear any interest whatever; and these carry the marks of their shame and disgrace in the shape of arrears of interest on coupons, over due for several years. It is not, therefore, surprising that such rotten securities as these do not command the same credit as our own English stocks; and it follows that those who wish to raise money upon them must consent to pay a much higher rate of interest for the accommodation, in order to compensate the lender for the doubtful nature of his security. Much business is transacted in this way, and many brokers who can obtain large sums almost at pleasure, devote their

exclusive attention to it. The mode of effecting the operation is very simple, both in the English and the Foreign markets. Suppose the rate of continuation in the Consol market to be $\frac{9}{16}$ per cent. until the next account, and a party wishes to lend money on that stock for the usual period of six weeks (say from the 17th of January to the 28th of February); in this case his broker procures him, say, 1,000*l.* Consols, on security for which he furnishes the money at the actual price of the day (say 90), making 900*l.*, and resells at the same time the said 1,000*l.* stock for the 28th of February at $90\frac{9}{16}$, making 905*l.* 12*s.* 6*d.*, and leaving a difference in favour of 5*l.* 12*s.* 6*d.* for the loan of 900*l.* during a period of forty-two days, which is at the rate of 5*l.* 3*s.* 8*d.* per cent. per annum. On foreign securities the principle is the same, and the brokers make in times of scarcity a fair profit by the business.

The Committee appointed to superintend the affairs of the Stock Exchange, consists of thirty members of the house, who are elected by the members at large every Lady-day, and each member has one vote. The Committee meet at certain regular periods to enforce the rules enacted for the admission and expulsion of members. Some of the regulations of the house are said to be at variance with the established laws of the country, but they are seldom so strictly carried out as to bring about a collision with the courts of justice; and they fully answer the purpose for which they are intended, all members being compelled, previously to their admission, to subscribe to the conditions therein laid down. On

the election of a new member his securities must be produced, and they are held responsible to the amount already stated for the first two years of probation. In the event of his failure within that period, the sum for which they bind themselves is forfeited, and is appropriated to the liquidation of the claims of creditors. Cases have occurred in which stock-brokers have been made answerable to the Bankruptcy laws; but this course is not usually followed out. The general rule is to deliver all available assets over to the Committee for distribution, because, as the members are prohibited from engaging in any other business, it is very seldom that claims of consequence can be established without the walls of the house.

The penalty inflicted on defaulters in the Stock Exchange is extremely, but certainly not too severe; although it is to be hoped that failures result, in the majority of cases, from misfortune, and not from dishonesty or fraud. Defaulters are now happily but scarce; hence a failure is wont in these times to excite considerable sensation. When a defalcation takes place, the course pursued is as follows. At the commencement of the "settling-day," should a broker or jobber, the one through the default of his principals, and the other in consequence of unsuccessful speculations, find a heavy balance on the wrong side of his accounts, which he is unfortunately unable to settle, and should an attempt to get the assistance from friends prove unavailing,—he must fail. Excluded from the house, the scene of his past labours and speculations, he despatches a short, but important, communication to

the Committee of the Stock Exchange. The other members of the institution being all assembled in the market, busied in arranging and settling their accounts, some of them, interested parties, become nervous and fidgetty at the non-appearance of Mr. —— (the defaulter in question). The doubt is soon exploded; for the porter stationed at the door suddenly gives three loud and distinctly repeated knocks with a mallet, and announces that Mr. —— presents his respects to the house, and regrets to state that he is unable to comply with his "bargains"—*anglicè*, to fulfil his engagements. Business then proceeds, when the members who had accounts open with poor Mr. ——, and possibly large balances to receive from him, are at liberty to mourn over their losses, and think themselves fortunate if they are not pulled down by the weight of the first defaulter, and prevented by his failure from meeting their own contracts. In many cases a failure is just like the fall of one of the pioneers of children's card soldiers,—the former tumbles, and upsets, at the same instant, a host of others, who, had he sustained his equilibrium, would, in all probability, have remained "good men and true." An honest defaulter will immediately assign his remaining assets to assignees appointed by the Committee, who inspect his accounts, and, if possible, declare a dividend for the benefit of his creditors. If the defaulter, failing from circumstances over which he had no control, can succeed in satisfying his creditors with the necessary composition, he may be again admitted into the house. To the credit of many of the members who have been

unfortunate, it may be stated that, after success in future business, they have cancelled old debts by payment in full. The case of a jobber who failed a short time ago can be cited as an instance of the value of securities to the body at large. He was a young man who had only been a member of the house twelve months, and was going on well, when, suddenly getting beyond his depth, he lost 1,000*l.* on one account. As his securities remained responsible, what they paid was sufficient, within a trifle, to satisfy the demands of his creditors.

It is impossible to give a description of the failures that occurred during the celebrated "*Spanish panic*" in May 1835. A decline of 20 or 30 per cent. in the Peninsular securities within a week or ten days, ruined a considerable number of members; they, in their turn, were the cause of ruining others; so that, after the lapse of a month, the greater part of the Stock Exchange may be said to have fallen into difficulties. The failure of principals out of doors, who had large differences to pay, caused much of the trouble the brokers experienced. Men with limited means had ventured on what they thought was a certain spec.; but when pay-day arrived, and the account was against them, they were obliged to confess their inability to furnish the funds required. At the time Zumalacarregui was expected to die—a principal, a person who could not command more than 1,000*l.*, "stood," as the technical phrase is, to make a fortune by the event. He speculated heavily; and had the Spanish general's decease taken place during the account, would have netted nearly 40,000*l.* That event

did not occur till the next week; in the meanwhile the individual was ruined, and his name and reputation were scattered to the winds.

Dishonest defaulters, no matter whether members or principals, are punished, and their characters blasted by the suspension of a black board in a conspicuous part of the house, on which their names are chalked at full length. This is the very heaviest disgrace which any member can possibly experience, as it inevitably excludes him from the society of honourable and respectable individuals. Many of the dishonest speculators were stigmatized by the black board in 1835, who, operating as principals through the instrumentality of luckless brokers, sustained frightful losses as "Bulls" of Spanish Stock. When the market gave way and prices fell, they attempted to put off the evil day by "carrying over," instead of closing their accounts. Matters, however, only grew worse; and at length, when payment could be no longer evaded, they coolly turned round and refused, although many of them were competent to adjust the balances which their brokers exhibited against them. It is a law of the Stock Exchange in these cases, that a broker must either make good his principal's losses from his own pocket, or be declared a defaulter and expelled the house. That this rule is imperatively necessary for the protection of the jobbers is certain; but it often presses with fearful severity upon honest, but not over-opulent, brokers, who, as in 1835, transact business for other parties, and afterwards become liable in the event of their principals proving insolvent

or turning out rogues. It is true that brokers should be, and in most cases are, particularly careful in the choice of principals who speculate largely; and a plan, we believe, is very often adopted of having a certain amount of stock deposited in the "strong box" of the broker, as security, before he will undertake such business. There can be no doubt that every principal who dabbles in foreign funds, or ricketty stocks of any sort, without a certain reserve for the security of himself and his broker, is a neck-or-nothing gambler, and little better than a downright swindler. He speculates as a mere "man of straw"—if his card turns up a trump, all is well;—if, on the contrary, he draws a blank instead of a prize, he is a ruined man, and his broker must go to the wall, unless he possess sufficient capital to pay the bad debts of his principal.

The technicalities of "Bull" and "Bear," though often met with, may not perhaps be generally understood. *A Bull* is one who speculates for a *rise;* whereas, on the other hand, *a Bear* is he who speculates for a fall. The *Bull* would, for instance, buy 100,000*l.* Consols for the account, with the object of selling them again during the intervening period at a higher price. The *Bear,* on the contrary, would sell the 100,000*l.* stock (which, however, he does not possess) for the same time, with the view of buying them in and balancing the transaction, at a lower price than that at which he originally sold them. A fluctuation of ½ per cent. during "an account" would procure a profit, or entail a loss, on such a speculation, of 500*l.* If Consols fall, the Bull

finds himself on the wrong side of the hedge; and if they rise, the poor *Bear* is compelled to buy in his stock at a sacrifice of some extent. During the rumours of war which prevailed in October 1840, shortly before the fall of the Thiers administration in France, the fluctuations in Consols were as much as 4 per cent. And yet there were speculators for the rise, who were *Bulls* of 400,000*l.* Consols, and sustained a loss of from 10,000*l.* to 15,000*l.*, for which more than one broker found it necessary, in sustaining his credit, to pay.

CHAPTER III.

THE STOCK EXCHANGE, *continued*—THE LATE MR. ROTHSCHILD AND HIS SPECULATIONS—HIS MODE OF TRANSACTING BUSINESS—THE *quid pro quo*—MRS. ROTHSCHILD'S SUCCESS ON THE STOCK EXCHANGE—THE DINNER PARTY AT STAMFORD HILL—PIGEON EXPRESSES—THEIR ESTABLISHMENT AND PROGRESS—THE DEATH OF MR. ROTHSCHILD—BUYING THE NEWS OF A PIGEON EXPRESS—THE DAILY PRESS AND THEIR EXPRESSES—THE RAILWAY SHARE MARKET—THE RECENT MANIA—THE SUCCESS OF YOUNG SPECULATORS—THE COMMISSION OF THE BROKERS—THE RAILWAY SYSTEM—FRAUDULENT COMPANIES—THE "LITTLE GO" AND THE "ALLEY-MEN"—THEIR STOCK EXCHANGE AND MANNER OF DEALING—SHARE APPLICATIONS BY THE FRATERNITY.

WHEN the late Mr. Rothschild was alive, and business ever became flat and unprofitable in the Stock Exchange, the brokers and jobbers generally complained and threw the blame upon this leviathan of the money market. Whatever was wrong was always alleged to be the effect of Mr. Rothschild's operations, and, according to the views of these parties, he was either bolstering up, or unnecessarily depressing, prices for his own object. An anecdote is related of this great speculator, that, hearing on one occasion that a broker had given very strong expression to his feelings in the open market on this subject, dealing out the most deadly anathemas against the Jews, and consigning them to the most horrible

torments, he sent the broker, through the medium of another party, an order to sell 600,000*l.* Consols, saying—"As he always so abuses me, they will never suspect he is *Bearing* the market on my account." Mr. Rothschild employed several brokers to do his business, and hence there was no ascertaining what in reality was the tendency of his operations. While perchance one broker was buying a certain quantity of stock on the order of his principal in the market, another would at the same moment be instructed to sell; so that it was only in the breast of the principal to know the probable result. It is said that Mrs. Rothschild tried her hand in speculating, and endeavoured by all her influence to get at the secret of her husband's dealings. She, however, failed, and was therefore not very successful in her ventures. Long before Mr. Rothschild's death it was prophesied by many of the brokers, that, when the event occurred, the public would be less alarmed at the influence of the firm, and come forward more freely to engage in stock business. They have, notwithstanding, been very much mistaken; for although several years have elapsed since his demise, the intervening period, till the present railway speculation, has been one of most unexampled dulness. Now he is dead, many, no doubt, wish he were alive again, to impart activity to business, as well as increase their own resources by the handsome commissions he was in the habit of paying.

Mr. Rothschild is said to have generally speculated as a *Bull*, and a great portion of his large property was obtained by such operations. At a party which he once

gave at his mansion on Stamford Hill, one of the guests, in order to pay a compliment to his host, introduced upon the supper-table the figures of a *Bull* and *Bear* in violent conflict with each other. The Bear, however, appeared to be nearly subdued by his horned antagonist; and the device, which was thoroughly understood, was honoured with the approbation of the company.

Among the various plans adopted of late years for securing early intelligence for Stock Exchange purposes, none have proved more successful than that of "pigeon expresses." Till within the last seven or eight years the ordinary courier brought the news from the Continent; and it was only the Rothschilds, and one or two other important firms, that "ran" intelligence in anticipation of the regular French mail. However, about ten years ago the project was conceived of establishing a communication between Paris and London by means of pigeons, and in the course of two years it was in complete operation. The training of the birds took considerable time before they could be relied on; and the relays and organization required to perfect the scheme not only involved a vast expenditure of time, but also of money. In the first place, to make the communication of use on both sides of the Channel, it was necessary to get two distinct establishments for the flight of the pigeons—one in England and another in France. It was then necessary that persons, in whom reliance could be placed, should be stationed in the two capitals, to be in readiness to receive or despatch the birds that might bring or carry the intelligence, and

make it available for the parties interested. Hence it became almost evident that one speculator, without he was a very wealthy man, could not hope to support a "pigeon" express. The consequence was, that the project being mooted, two or three of the speculators, including brokers of the house, themselves joined and worked it for their own benefit. Through this medium several of the dealers have made large sums of money; but the trade is scarcely so profitable as it was, because the success of the first operators has induced others to follow the example of establishing this species of communication. The cost of keeping a "pigeon" express has been estimated at 600*l.* or 700*l.* a-year; but whether this amount is magnified with the view of deterring others from venturing into the speculation, is a question which never seems to have been properly explained. It is stated that the daily papers avail themselves of the news brought by these "expresses;" but, in consideration of allowing the speculators to read the despatches first, the proprietors, it is understood, bear but a *minimum* proportion of the expense. The birds generally used are of the Antwerp breed, strong in the wing and fully feathered. The months in which they are chiefly worked are the latter end of May, June, July, August, and the beginning of September; and though the news may not be always of importance, a communication is generally kept up daily between London and Paris in this manner.

In 1837-38-39, and -40, a great deal of money was made by the "pigeon-men," as the speculators supposed

to have possession of such intelligence are familiarly termed; and their appearance in the market was always indicative of a rise or fall, according to the tendency of their operations. Having the first chance of buying or selling, they of course had the market for a while in their own hands; but as time progressed, and it was found that the papers by their "second editions" would communicate the news, the general brokers refused to do business till the papers reached the city. The pigeons bringing the news occasionally get shot on their passage; but as a flock of some eight or a dozen are started at a time, miscarriage is not of frequent occurrence. At the time of the death of Mr. Rothschild, one was caught at Brighton, having been disabled by a gun-shot wound; and beneath the shoulder-feathers of the left wing was discovered a small note with the words—"Il est mort," followed by a number of hieroglyphics. Each pigeon establishment has a method of communication entirely their own; and the conductors, if they fancy the key to it is in another person's power, immediately vary it. A case of this description occurred not long ago. The parties interested in the scheme fancied that, however soon they received intelligence, there were others in the market who were quite equal with them. In order to arrive at the real position of affairs, the chief proprietor consented, at the advice of a friend, to pay 10*l.* for the early perusal of a supposed rival's "pigeon express." The "express" came to hand—he read it, and was not a little surprised to find that he was in reality paying for the perusal of his own news! The truth soon came

out—somebody had bribed the keeper of his pigeons, and were thus not only making a profit by the sale of his intelligence, but also on the speculations they in consequence conducted. The defect was soon remedied by changing the style of characters employed, and all went right as before.

Before the daily press established their own exclusive sources of information, these caterers for the public were much indebted to the Stock Exchange people for rumours, or to those members who could supply them with the nature of the intelligence that affected the value of the different securities; but such has been the progress of the age through the indefatigable exertions of the conductors of our journals, that not only are the expresses of the Rothschilds useless for priority of information, but also those of the Government. Sir Robert Peel, a few months since, in the House of Commons, acknowledged the obligation he was under to the editor of *The Times* for the perusal of India papers, containing news of interest on the state of the Punjaub, they having been received at that office in advance of all similar establishments. The "pigeon expresses," though they serve but for a few months in the year, occasionally communicate important intelligence; and it is by a few lucky events of this sort occurring that the proprietors stand a chance of profit or remuneration. It will often happen that three months out of the four the intelligence is not worth using for Stock Exchange operations, and several of the seasons lately have been most barren in this respect.

Within the last eighteen months the business of the Stock Exchange has been perfectly revolutionized by the Railway-share mania, which promises in the long run to be as fruitful in failures as any preceding rage for speculation in the history of this country. It has gradually crept upon the public, and has now so firm a hold on almost every circle of society, that it seems a matter of impossibility to get rid of the pest. The share market, which, till within the last two years, was occupied by four or five distinct brokers and a number of jobbers, whose means of business were very small, has now become the grand focus of speculation and legitimate business; and English and foreign securities are quite deserted for the superior attractions of English and foreign Railway scrip, which, of all shades and character, has been freely distributed throughout the united kingdom.

The brokers and jobbers who had the first "pick" of the market, must have made considerable sums by their commissions; since the other brokers and jobbers, who paid more attention to the other public securities, were almost discarded by their former customers, who in many cases were led to believe that the "English and Foreign Stock" broker and jobber could not transact share business. Indeed it appears to have been some time before the veil of mystery was removed, or that the public arrived at a clear understanding of the subject. In the meanwhile the old and respectable members of the house had the mortification to see persons who formerly had been of little reputation on the Exchange, and in many instances even their own clerks, carrying on an

extensive and profitable business in shares; and as long as this lasted, there was no end to the success of those who had the sway of the market. Gradually dealings were dispersed and spread among the whole of the fraternity, and then followed the height of speculation, engendered by the general operations of the chief part of the community. The shares of every new company coming out at a premium, induced rich and poor to thrust themselves into the market; and the schemes that are every day resorted to in order to gain possession of letters of allotment which may bring a price, if the shares be paid on, are of the most multifarious, and, in many instances, fraudulent description.

Such has been the increase of business in consequence of the speculation in shares, that the accounts which used formerly to occupy not more than one or two days at the outside, nearly exhaust the week, before differences can be paid, transfers made, and the books of the brokers regularly adjusted. The extent of transactions has increased beyond measure; night and day clerks are engaged in arranging sales and purchases, and conducting the correspondence which is required between their masters and principals. Extra *employés* have, in most cases, been secured; so that the denizens of the Stock Exchange, instead of complaining, as they did two or three years back, of the dearth of business, now grumble for the want of time and opportunity to perfect what comes into their counting-houses.

Innumerable instances are stated of persons, who a few months ago were not worth anything, having made their

thousands of pounds, and several of these are junior members of the house, who were fortunate enough to deal in those shares which have attained high premiums. Considering the time and attention required in share business, the brokers do not get too well paid; although there may be every reason to suppose that many are obtaining immense incomes from it by the inordinate influx of commissions. This will, we think, be seen when we state that the principal of the business being transacted in the new scrip, upon which not more than 1*l.* to 3*l.* has been paid, they only realize the small commission of 1*s.* 3*d.* per share. If they buy or sell largely of Brighton, Birmingham, and Grand Junction, they get the larger commission; but these descriptions have not been dealt in to any comparable extent with the issues of the new companies. Brighton and South Eastern have undergone considerable fluctuation during the mania; but then, as the business was in a few hands, it cannot be supposed to have extended its beneficial influence over the whole market.

It is said that certain lucky brokers have made 3,000*l.* and 4,000*l.* a day by their business, but this seems a large profit if produced solely by commissions. If they were engaged in speculation as well, they might, recollecting the rises and falls that have taken place in some of the scrips (for instance, Churnett Valley, London and York, Direct Northern, and others), have made much larger amounts. One very fortunate individual outside the house, who held largely of Churnett Valley scrip before the announcement of the sanction of the Board of Trade

to the project, sold at the best price of the market when the announcement was made, and netted by his one *coup* 27,000*l.* Large sums have also been made and lost in London and York, and Direct Northern, these having been two of the leading "*fancy*," and dealt in as much for the purposes of speculation as anything else.

The number of foreign lines introduced for the purpose of dealing has added to the excitement prevailing, which, though it may last for a time, must eventually bring with it consequences little expected. Distinguished from the reckless period of 1825 and 1826, there is this to be said for the present *mania* in railways—viz. that they are undertakings of national importance, which, notwithstanding they were in the first instance viewed with much jealousy and distrust, have produced results which the most sanguine never calculated; and therefore the system has been encouraged not alone as an investment for money yielding high rates of interest, but also for the benefit it confers on mankind at large. The feasibility of the numerous schemes, and the elements of success they present, have, under these circumstances, raised an unanimous feeling in their favour, which, sanctioned as they have been by government superintendence and government interference, could not but contribute to feed the growing desire of the public to embark in them. The warnings that have therefore been given have not been regarded, and the mania has gone on to an extent almost unprecedented even by the great South Sea bubble itself.

Much money, no doubt, has been gained by specu-

lation in shares, and it is almost certain that a proportionate sum has been lost, though there are phases of affairs in Stock Exchange business which will allow, for a limited period, of the majority of dealers reaping profit when even very few losers are to be found. This, however, only occurs when a continuous rise in prices is supported, and where the public, for the most part, have gone in as buyers. But even admitting that much money has been made, and very little lost, we have not yet come to the end of the chapter.

The feasibility of the greater number of the schemes brought before the public, has encouraged the example of starting competing lines; while, in addition, foreign projects of the most questionable description have come out, the shares of which have maintained high premiums for a few days, and have then sunk into utter worthlessness. Among all this incongruous mass, there must be part that will ripen to decay; and hence, while the stability of the system itself is acknowledged, it is that stability which has fostered many of the sham companies of the present day. When the crash does come, it will be terrible. The best of the securities will feel it for a time, though restoration to a proper value will, no doubt, follow when the market shall have settled down, and the web of ephemeral speculation be cleared away.

Of the means of parties who have made it their business to be share dealers for thousands in amount, no right estimate can be formed. Lord Brougham seemed to think that certain individuals who proposed to embark their 2,000*l.* and 3,000*l.* in these securities, were mad, and

about to sacrifice themselves and their families. The sympathy that he expressed for them in the House of Lords, was creditable to his good and kind feelings;—but what will his lordship say when he is told that these amounts were large capitals compared with the means of many of the speculators who have entered into share business. 2,000*l.* or 3,000*l.* at command would, in many cases, have made a large fortune; while, on the other hand, it might have been as freely lost.

But capital has been of little consideration among the daring city speculators. Men without houses or homes, clerks at small salaries in banks and merchants' counting-houses, have as openly proclaimed themselves buyers and sellers of the various favourite shares, as if they represented their employers. The work has not only been confined to London, but it has also extended itself to Manchester, Leeds, Liverpool, Glasgow, Dublin, Hull, Edinburgh, and Bristol, in all which towns markets have been established, and as much, if not more, business transacted than in London. The farmer is now as deep in railway shares as the merchant, the merchant as the banker; and the whole circle of society is so entangled in the mania, that when one link goes, the weight of responsibility will be found vastly embarrassing to those who have property that may be jeopardized by such a crisis.

Within the last few months the brokers and jobbers have themselves become alarmed, and consequently endeavour to exclude new scrip as much as they can; for they know, if the public do not, the fearful result that

will shortly follow. A long arrear of account has to be settled, and when it arrives, heavy will be the pay-day.

A third class of dealers, who may be said to exist on the skirts of the Stock-markets, are the "little go," or "alley men." They are a description of people including the lowest of the low among the outside speculators, who traffic in the letters and shares of railway, or any other joint stock company that may happen to fall into their hands. They frequent the purlieus of Capel-court, the Auction Mart, and the adjoining lanes and alleys, and principally consist of broken-down merchants' clerks, decayed tradesmen who have lost money by speculation, and others, whose pretensions to honesty and character it would be difficult to describe. The number of these speculators have much increased of late years; and of such importance did they, not long ago, consider themselves, that they rented a room in the neighbourhood of Throgmorton-street, and started "a miniature" Stock Exchange, with the necessary paraphernalia for the accommodation of members—even to a beadle at the door, to "call" and "answer" names.

This place of business, however, did not continue more than six months; for although the subscription was small, not being above five or ten shillings per annum, the members, after visiting it for a short period, found it inconvenient either to attend or to pay, and discarded it for their old haunts, which have, no doubt, superior attractions, considering they hold possession rent-free. While the room was in existence, a considerable amount of dealing is alleged to have taken place, the notorious Poyais

bonds being revived for speculation in the absence of any other security likely to afford a fluctuating market.

It may appear singular to those unacquainted with the habits of this class of dealers, that Poyais bonds, the utter valuelessness of which are so well known, should ever find a market among them :—but it is the case ; and here an opportunity is afforded for explaining on what principle they conduct their business. The " little-go" man, if he could realize a price for all the *securities* he holds, whether in the shape of letters of allotment for railway shares, old scrip of mining companies, or defunct steam and emigration projects, would soon realize his fortune ; and therefore, to him, every scrap of paper of this description is part of his general store. He keeps them as mere lottery-tickets, with the chance of their turning up, some day or other, a prize.

Visit Bartholomew-lane at any time in the year, and you will be sure to find several people of shabby exterior holding converse at the entrance of Capel-court, or on the steps of the Auction Mart. These are the " alley men." You will see one, perhaps, take from his pocket a goodly-sized parcel of dirty-backed letters, all arranged, and tied round with string or red tape, which he sorts with as much care and attention as if they were bank-notes. That parcel is his stock in trade ; perhaps those letters may contain the allotment of shares, in various companies, to an amount, if the capital subscribed was paid, of many hundreds of thousands of pounds. They, doubtless, in his hands, are scarcely worth as many farthings ; yet he makes a living on them, and is as busy as

the most opulent stock broker in finding a buyer for his securities.

To describe fairly the "alley men," we must take him from the first of his career. He is generally, as we have said before, some broken-down clerk or tradesman, who, having lost every prospect of life, chooses this description of business as a *dernier ressort*. First started in his calling, he associates with the loiterers at the Stock Exchange, where, by mixing with them, and, perhaps, making an acquaintance through the introduction of Mr. John Barleycorn at the tap of the Auction Mart, he is initiated, by degrees, into the secrets of the business, and, before long, becomes as great an adept in the sale or purchase of letters as the oldest man on the walk. When he has acquired the necessary information respecting dealing, he can commence letter-writing for shares. This is effected at the expense of a penny only for postage, pen and ink being always obtainable, either in the tavern-parlour or coffee-house he frequents. When a new company comes out, and is advertised in the daily papers, he immediately calls for a form of application, fills it up, and despatches it, with the moderate request to be "allotted" one hundred or two hundred shares, the amount of call or share being quite immaterial to him, as he never intends to pay upon or keep them, his only aim being to increase his available stock of letters, so that he can make a "deal," and pocket the profit should they have a price among the fraternity.

In this manner the whole of the "alley men" write to the companies for shares, and do not hesitate to adopt all kinds of fraud and trickery to gain success. From the

numerous applications which directors in these projects receive from this class of people, the names of the greater number are already known, and discarded accordingly, it being well ascertained that they only seek the shares for the temporary profit they yield. In order, therefore, to lull the suspicion of the directors, they, with their confederates, write in fictitious names, imitating influential city firms in Christian and surname, and giving false and fraudulent addresses, with assumed references of the highest respectability. For instance, an application for two hundred shares in one company has been traced as coming from one of these people, with the high-sounding name—"Thomas Banbury Payne, gentleman, Barnesbury Park; reference, Bank of England." In another case—"Currie Peters, gentleman, Balham-place, Clapham Rise; reference, Jones, Loyd, and Co., Lothbury," was the name selected. When the matter was investigated, the applicants were found to have no existence in name, residence, or reference. It is no uncommon thing for the "alley men" to write in half-a-dozen different names for shares, and to have letters addressed to them at places where they visit, and then, when proper inquiries are made, and their true position learned, they, of course, fail in their endeavours. Should the "alley man" be fortunate enough to get an allotment, he goes among his brethren and learns the price, if any, for the shares. If there are but few among them, and the letters are in demand, he may, perhaps, get as good a market as ten shillings per share, which, upon twenty, a number not unlikely to be allotted when two or three hundred are applied for, will give him

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ten pounds. Thus, if fortune attend his applications, he may make some little money; but yet, as the love of speculation is strongly allied with this description of business, he may, on the other hand, lose what he makes in the purchase of letters of less note and value. It is, however, not very often that this description of dealer realizes the large sum of ten shillings per share. The more current price for letters ranges from one shilling to three shillings per share; and cases have been known where sales have been effected at as low as one penny and one half-penny per share.

CHAPTER IV.

THE "LITTLE GO" CONTINUED—SHARES AT ¼*d.* EACH AND NO BUYERS—ALLOTMENTS IN 1836-37—THE PRESENT SYSTEM OF ALLOTMENTS AND THE USE OF THE "ALLEY MEN"—"STAG-HUNTING"—SIR ISAAC L. GOLDSMID AND THE "ALLEY-MAN"—BILL STEALERS—"DOING" A BILL AND ALSO THE ACCEPTOR—BILL-STEALERS AND THEIR VICTIMS—THE FORMATION OF PUBLIC COMPANIES—THE COMPANY MONGER—DIRECTORS OF PUBLIC COMPANIES SOMETIMES ROGUES—DIRECTORS' FEES—MR. T. A. CURTIS AND HIS PERQUISITES—THE CALCULATION OF THE GUINEAS—DOCTRINE OF DIRECTORS ON UNPAID SERVICES.

In the years 1836-37, when share speculation took a new start in connexion with railways, the "little go" was held in the Royal Exchange for two or three hours previous to the assembling of the merchants; and at this period, such was the rage for the sale of letters, that the beadles were at last obliged to drive them away, and keep the place clear, the swarms of people attending actually preventing the frequenters of the 'Change from getting to their places. In the height of this speculation, some of the "dabblers" made a price of one farthing per share for fifty of the shares of a railway that now promises, next to the Birmingham and Grand Junction, to be one of the first in the kingdom, but, even at this price, there were no buyers.

Less caution was exercised at this time in the allotment of shares than has been the case in the present speculation; and although the severe scrutiny which has characterized late allotments has been of much benefit to the companies, it has likewise given the letter-dealers and their friends the opportunity of plying a more profitable trade than before. And this plainly appears from the fact of their having become the tools and confederates of the brokers and jobbers in the Stock Exchange, who feeling no inclination to write for shares themselves, get the letters these men hold, make them, for a small consideration, sign the deed, (the great responsibility dreaded in these transactions,) and having enabled them to pay the deposit, take the scrip receipts as their own, at a price before bargained, and so escape the risk of calls as original subscribers, while at the same time they pocket the chief profit. This course of dealing has been engendered by the alteration which most of the companies have made in recent prospectuses.

Under the old *regime* the letters of allotment were transferable, and it did not, therefore, much matter who became possessed of them, so that the calls were paid, as the scrip was then the chief thing, and the signing of the deed a secondary consideration. However, under the new system, the case is quite the contrary; the letters are not transferable, and the original subscriber must pay the deposit and sign the deed. So stringent have several of the companies been in the proper signature of the deed, that they have enforced this ordeal previous to the bankers receiving deposits: hence has

arisen the connexion between the brokers, jobbers, and "alley-men," to the benefit of all three classes of dealers. To make this clear, it is only necessary to put an hypothetical case. Suppose B or D, as broker or jobber, wants 20 or 50 shares in a certain company: they are selling at a premium in the house, but he does not choose to give so high a price. What does he do? He at once goes into the "alley," where he is sure to meet with a dealer of the class he requires, as they are particularly fond of being patronised by the brokers and jobbers, and if he finds there are any letters afloat, he agrees perhaps to give him *2d.* per share for the letter, *2d.* for signing the deed, and then, by paying the deposit, he can clear the difference between the price outside and the premium inside the house. In this manner, throughout the whole of the late speculation, the "alley" or "little go" men have been of the utmost service to their wealthier *confrères* of the Stock Exchange.

By this sort of business, a few of these people have been able to make a good thing of their speculation, without giving them credit for what they have otherwise realised in the general rage for shares. It is indeed only in times such as the present that the majority of them can get anything approaching a livelihood; and it is singular to notice the metamorphosis they undergo, when a mania of this character comes on. Men who, six or nine months since, might have been seen with a most threadbare exterior, and countenances indicative of the greatest poverty, are now to be found in their former quarters, well dressed, mounting rings and gold chains, with an

appearance which would also lead one to expect they had vastly changed their dietary tables within that period. The new foreign railways have proved a source of considerable profit to these parties, who have been enabled, in consequence of the small deposits some of these companies require, to hold a few of the shares, and take the better price a sale within the house will yield.

Lately, one or two of the oldest of the "alley men" have taken to a new department of business, which must in many cases have added considerably to their generally precarious income. The nature of their dealing having made them acquainted with the names and addresses of the lowest class of premium hunters, they have become eminently serviceable in looking over the lists of applicants for shares in new companies, and are retained at a special fee for this purpose. In conclave with the directors, they go through the letters addressed to the company, and mark all the black sheep known to seek the market so soon as they receive their answers. Thus they render valuable assistance in weeding the companies of the most doubtful of their would-be subscribers, while, at the same time, the sources of information they possess of the disposition of the public towards particular shares, makes them no less useful in other respects. However, as few public companies would be able to come out without some of their letters getting into the "alley," the inspector, or "stag-hunter,"—as the slang phrase in the market goes,—advises the allotment of a trifling number of shares to the best of these applicants, and, in so doing, he nominates one or more of his own friends,

with whom there is a tacit understanding of equal division of profit.

These people being always ready to serve each other this way, little disagreement ever takes place in the settlement of their accounts. When the shares are allotted in order to keep the "alley" from being deluged with the letters, the directors usually employ their inspector, or stag-hunter, to buy them up cheaply and quietly, for which he charges *3d.* per share commission, and then these shares go to the forfeited or reserved list, as the Board may determine. All this is done with the view of keeping the company in good repute, and of supporting the price of the shares; so that it will be seen that, besides the employment of a broker inside the house for that purpose, the managers of these projects do not forget the assistance that can be rendered by the less important dealer in the "little go."

When the "alley man" is in the height of prosperity he thinks nothing of the future; he lives well, eats well, and dresses well, and is, in his own estimation, as great as any of the other speculators. He does not confine his City attendance to the hours of the Stock Exchange, but he is at some of the neighbouring coffee houses, both before the market opens, and after it closes, having an eye to buying, in anticipation of profit.

The "alley man," when he has a greenhorn in his clutches, talks with the most perfect familiarity of all the great people of the City, and boasts their acquaintance with the greatest confidence. We saw this trick carried out with the most complete success on one occasion.

An "alley man," who was quite *au fait* at his business, had secured a customer for some of the "rotten rubbish" he held, but a question was raised on the sum to be paid. The merits of the bargain were being discussed, the "alley man" assuring his victim there could be nothing better in the market, and that it was a great favour to let it go for the money. It was the time that the metropolis was ringing with the news of the elevation of Mr. Isaac Lyon Goldsmid to a baronetcy, and that distinguished Hebrew, with a wealthy relative, was passing. "There," said the "alley man," "is one of our directors, —that's Sir Isaac." The Baronet had by this time reached the spot where the conference of the worthies was held. "Good morning, Sir Isaac," said the "alley man," with a profound bow.—"Good morning," replied the Baronet, with a smile. This was enough, the contract was sealed; and the "alley man," by the dexterous appliance of circumstances, had proved his knowledge of, and acquaintance with, great men of the day, and had stamped his great importance on the mind of his customer.

When speculation loses its charm, when the public have become surfeited with new companies, and when no fresh ones are started, then comes the drear winter for the "alley man." He is obliged to turn his hand to anything; and in the absence of a more profitable occupation, descends to petty bill discounting, or rather bill stealing. A horde of vagabonds infest the metropolis, who, despite the exertions of the law, prey upon the vitals of humble and needy shopkeepers, by inducing

them to surrender acceptances into their custody on the pretence of getting them discounted, and then, after negociating them, decamp with the proceeds. We have heard of things of this sort being done at the West-end; and the specious means adopted for supplying country tradespeople, at a small commission, with accommodation paper, have already been exposed at our Police Courts; but the "bill stealing" carried on in the City, among these fellows, is of a much worse description.

The "alley man," from his knowledge of business and finance matters, is a good decoy, and hence, when other resources fail, a share of the plunder will repay him. The "bill stealers" frequent the parlour, or tap-room, of some of the recluse pot-houses in the City, where they sometimes meet, five or six in number, and in the most undisguised and unblushing manner converse of the dealing in which they are engaged. When a dispute occurs between them, which is not uncommon, should one of the more tricky gentlemen be supposed to have taken the greater share of certain profit, then something of a very gentlemanly character is sure to be divulged. The result generally becomes the same—there are charges on all sides of robbery and extortion connected with bill discounts, and, in addition to these, sundry intimations, that it is not unlikely before long they will have the pleasure of encountering each other either in Cold-bath Fields, or on board the Hulks.

The mode in which these capitalists "do" a bill, and also the acceptor, may be thus explained. A poor tradesman, not having ready access to 20*l.* or

30*l.* for a pressing emergency, comes in contact with one of these parties, who professes at once to be able to raise, through "influential friends," a much larger sum. The bill must necessarily be first drawn and accepted before the "friend" can be asked to discount it. The bill being drawn, the "agent" is charged with its care, and promises by a certain day to meet the acceptor, and give him the proceeds. The "agent" having possession of the bill in the meanwhile, makes the round of the coffee houses and other places used by his friends, and if he cannot get the whole of the money, takes part, and deposits the bill as security. As he is not liable for the payment of the bill, he does not care what becomes of it, and is not particular whether he uses what he received, or transfers it to his client. The day arrived when they are to meet; the "agent" makes various excuses for the delay of the discount, and in order to allay the anxiety of the acceptor gives him 3*l.* or 5*l.* on account, though such a course as this is not common, without the party is in some measure afraid of his customer. To the inquiry—"Where is the bill?" the ready answer is, "In the hands of the discounter, who has not yet made due inquiries;" and in this manner the poor creature is from time to time disappointed, till he at last finds the "agent" *non est.*

When the bill becomes due, he is sued, and, perhaps, taken to prison because of his inability to pay what never came to his hands; but as there is the bill, and he is the acceptor, that is sufficient, and "discharge the debt or lie it out," are the terms imposed. The only

way is to do the best he can under the circumstances; for as the discounter, who in many cases is a party to the fraud, is generally allied with some sharp-practising attorney, a compromise is better in the first instance, than a subsequent demand for debt and costs.

Instances have occurred where unfortunate tradesmen, when caught in these toils, after being duped in the manner described, have been obliged to sacrifice their business and furniture to satisfy the claims of these harpies. In cases where they get young clerks or persons holding good or official situations in their clutches, they have even a much more powerful control, and as the premium or profit derived from this class of clients is of surer character, they do not throw them over on the first bargain. Draining them quarterly for interest on the small advances made, they eventually enforce by threats what they are not really entitled to, namely, by suggesting the probable result of making the principals or employers of their victims acquainted with the recklessness of their conduct, and of the manner in which they have gratified their propensities for extravagance.

The Bankruptcy Courts have, within the last few years, developed many extraordinary facts relating to the progress of a free trade in money, but none would disclose such a system of fraud and extortion as that of the description of dealers here mentioned, could the intricacies of the system be properly laid bare. Bills are often negociated among these people for sums of *4l.*, *5l.*, and *8l.*, the expenses and commissions on which eat up the larger amount of the advance. It probably may be

said that the law will reach such fraud. That is true; but is it not more likely that persons who have been entrapped will make every sacrifice to get rid of these swindlers, rather than appear in their company before the public?

The formation of public companies is a source of profit to some of the more adventurous of the speculators. Not many of these people receive encouragement at the hands of capitalists; but at times, when they fall in with them and get their confidence, they punish them to some extent.

The man, who assumes as a calling the constitution of joint stock associations, is most frequently looked upon as a doubtful character, who, if even to be trusted, requires looking after. He is not like an individual who, bringing a great system to bear, and having carried it out, obtains a leading appointment, and continues in the service of the company; but, in the character of " Company-monger," he is merely the person who, having the idea entrusted to him, endeavours to get together a body of men who are willing, by their names and influence, to set the scheme in motion.

When the concern is established, the real " Company-monger" seldom continues in it—he is paid, perhaps, a trifle for his services, and is dismissed to seek his fortune elsewhere, by again laying before the public the secrets of other men's brains. We never knew one of these persons who professed to have been well treated by those with whom he had been connected. He was either half-remunerated for his trouble, or had been shamefully

kicked out, after having ensured the success of the company. Your "Company-monger" will always profess to do any thing and every thing, but seldom or ever perfects his promises. If you wanted to raise 10,000*l.* he would assure you he could get it, and at a moderate rate of interest; if you wanted to establish a company for working any project, you would find (giving him credit for all he said) that he knew the men to make a direction; if you desired to see a prospectus, he would furnish you with a sketch in a few hours; in fact, he would promise you directors, secretary, company, and funds to carry out your plans; but in the end, in all probability, you would find yourself most grievously disappointed, for neither one or the other would be forthcoming. In the mean time, however, he would endeavour to draw as much cash from you as he conveniently could; after which there would be little exertion on his part to keep faith with you. One or two of these persons have, from time to time, been successful enough to "get out" companies, but then it has been more the result of the co-operation of the friends of the projector, or inventor, than the success of the "Company-monger" himself.

It is a curious, but nevertheless a true fact, that scarcely ever a project is started that has not been first heard of in the city. The advice in all these cases appears to be,—"If you have any city friends, they can command a direction and capital at once; a visit to them will ensure your scheme: if you have such an introduction you will soon see your undertaking in full work." It seems to

be forgotten that capitalists in the city, although they number many speculators among them, have other channels for the employment of their money, and, before advancing, require to be confident of the interest-paying qualities of their investments. They seldom, without they adventure in some great commercial speculation, display an inclination to part with their cash, unless ample security is afforded.

We once knew a "Company-monger" who lived several years on the success of supposed inventions, for which he was commissioned to get up public companies. He was always on the walk through the city, picking up his friends, or levying small contributions from strangers. His great resource in time of need, however, was the title which he claimed of a small mercantile publication; that, if his companies failed him, always furnished a dinner, or the means of getting one. He usually had two or three plans of joint stock concerns in his pocket, which, if he could only raise a direction, would be sure to pay large dividends to shareholders. On one occasion we encountered him, when, after going through the list of old projects in store, he assured us that the crown of his hat contained a new one, which, when it saw the light, would astonish the whole world. He was then busily engaged in endeavouring to get a staff of directors from the highest of the merchants and bankers, and expressed himself most sanguine of success. He imparted in secret the name and title of this new and wonderful invention, but as we never saw the company advertised, or heard of a prospectus being issued, we presume that this, like many

other of the schemes of our eccentric friend, never arrived at maturity.

It has frequently occurred, that, in the concoction of public companies, the directors themselves have not forgotten to make use of the responsibility of office to feather their own nests at the expense of the public. Nothing more unblushing can be cited than an instance, which, at the time it took place, was the subject of general conversation in the city, though it did not get into print.

In one of the companies started in 1825, the capital required to carry out the project was so small, and the number of shares so limited, that the few parties in the direction finding their scheme take in the market, and their shares run to a large premium, determined on purchasing for the account day the whole of the stock they issued. With this view they each agreed to buy a certain number, and as there were no sellers, except at advanced prices, their purchases caused an enormous rise. One, a little more clever than the rest, from his previous knowledge of stock exchange business, thought he could not get too much of a good thing, and even bought more than the stipulated quantity. Up went the premium: and all the dealers were astonished at the extraordinary demand for these shares, which reached a value nearly fifty per cent. above par; and, naturally enough, the directors were highly delighted with the success of their plan.

Before the account day arrived, a consultation in the board-room was appointed, to see how matters stood, and

arrange a division of profits. When the several purchases were called over, it was discovered they had overbought the market, to the extent of some hundred shares above the quantity actually issued. This created a sensation; for then the question was, would not the brokers smell a rat when the "differences" came to be paid. A question of this kind brought reflection for the moment, but it was quickly settled by the comfort, that if the shares could not be delivered, the "differences" must be forthcoming.

Thus far proceedings had gone pleasantly enough, till one of the directors tendered his resignation. He was asked to explain the cause for so strange a step, under such brilliant prospects. He replied, with much cool assurance, that he had disqualified. How? was the further interrogatory. By having settled his account, sold his shares, and taken the profit of the transaction. This announcement was a death blow. A traitor in the camp had secured the lion's portion. He was vilified in every way; called a scoundrel, a rogue, and anything but a gentleman. What cared he for this, he had gained his end, and pocketed, at a reasonable calculation, 50,000*l.* or 60,000*l.* by the business, and, under these circumstances, he could bear hard usage, and the bad opinion of the world. His fortune thus made he paid a visit to Paris, where he was less successful in his speculations; but principle was soon sacrificed to circumstances, and instead of "paying differences," he returned back to England, and spent the remainder of his days in the quiet enjoyment of the money he had already amassed.

This is only one of the numerous cases that might be mentioned, but it is enough to show what can be done in this description of business, and how mercilessly the unwary may be taken in with projects presenting the best and the most favourable appearances; because immediately a fraud of this character is discovered, the shares become valueless, and the company is broken up, without the least chance of a farthing of the money subscribed ever being returned.

Many bankers and merchants derive a good income from their connexion with public companies in the character of directors. Very often the public will perceive that Mr. Johnson or Mr. Thompson is in the direction of eight or nine different companies. In that case it is certain that Mr. Johnson or Mr. Thompson is making a very comfortable revenue from such source, and quite, be it understood, in a legitimate way.

No great effort of calculation would be required to prove, that several of our leading merchants, whose names stand high for credit and stability, are directors in more than half a dozen companies, and these seats returning at least 1*l.* 1*s.* for attendance on each weekly board-day will give a rough estimate of the pickings such privileges afford.

A few of the less opulent of our knights and baronets employ their names and time, if they can obtain the appointments, in the same way, and as it is occasionally thought necessary to have a dash of aristocracy in the lists of directions, a few of them reach the desired port. The majority of directors, however, number as the chief

of their rank, city people; and the best of the companies, as far as they concern the metropolis, having connexions direct or indirect with the city, the bankers and merchants carry off the chief of the fees payable or paid.

The private balance sheet of Mr. Timothy Abraham Curtis, presented to the Court of Bankruptcy when that gentleman failed, exhibited a sample of the income netted from directorship to no mean amount. To the best of our recollection his revenue, under this head, was between 800*l.* and 900*l.* a-year. Mr. Curtis having been associated with the Courts of the Bank of England, and the East India House, it was considered quite a plum for a public company to acquire his services in the board-room. No wonder then that he was in such requisition, or that his income was so good from the monopoly he enjoyed.

In some of the public companies a salary is fixed for the whole of the directors, and each receives his fair proportion, whether he works or not. When there is a right understanding between the parties this plan operates very well, because in the absence of one director, another will accommodate the company with his presence, and so eke out the quantum of attendance. In other companies whose affairs are supposed to have been neglected by the absence of numbers, the rule has been altered, and only the amount allowed to those who actually attend. This renders it particularly incumbent on directors to be punctual; but, in many cases, more we suspect from the anxiety of securing the guinea, than a real desire to promote the interests of the company.

It is said by persons who have had the opportunity of

seeing the interior of board-rooms thus regulated, that the meeting of directors under such circumstances, affords a curious sight for observation. Suppose the number of directors to a public company be ten: on the board-day, at five minutes to one o'clock, the Secretary takes his seat in the room, with his minute book before him, and a list of the directors' names. One or two of the directors may have then arrived, two or three others follow, and the number is made up with the exception of two more, who just as the clock strikes the hour are heard rushing forward up stairs at the top of their speed.

Director one—(panting for breath)—"Just nick'd it egad—left Simkins three stairs below—couldn't do the landing—he says the old-fashioned staircases were never made for directors to get in time for boards. Secretary, score my name, please, and I'll trouble you *for the guinea.*"

The door having just been gained, as the clock strikes, the Secretary scores the name and pays the fee, which is pocketed with all due delight.

Director two (coughing). "This is what it is to be troubled with asthma. How d'ye do, gentlemen? Smith, tick my name, please, and give me the fee; I want to be off as soon as possible, for I've another Board to attend at half-past one, and shall be too late for that."

Secretary. "I beg your pardon, Mr. Simkins; if you'll just look at the clock, it's past the hour."

Director. "Oh, nonsense!—that's too fast. My watch, which I set by St. Paul's, shows it's scarcely over the hour. Come, come, give me the guinea; I must be off."

If there be a yielding secretary, the money is paid; and the directors, as soon as possible, despatch their business, some to visit their own counting-houses, and others to take the guineas at other Boards. All directors are not to be included in this description. Numbers there are who labour most zealously, and often with little or no remuneration, for the benefit of the companies they associate with; but, nevertheless, it is a favourite doctrine with all Boards, that the services of unpaid directors are not generally productive of prosperity, and hence the members usually look forward with hope for the period when their exertions will be recompensed by something more substantial than empty praise. The Northern and Eastern Railway, and the Royal Mail Steam Packet Companies were examples of this kind. Both directions were very handsomely salaried, immediately the shareholders received a dividend.

Some boards of directors have, in periods of adversity, liberally refused to receive their fees, when, by the laws of the company, they were fully justified in taking them; but these instances are rare. The most snug companies to get into for the receipt of directors' fees, are the fire and life assurance companies, and the old and well-established water companies. A seat in the councils of the Bank of England or the East India House will be sure to be followed by these, in addition to the best of the joint stock banks, railway, or mining companies.

CHAPTER V.

1825-26 AND 1845-46 COMPARED—THE CHARACTER OF THE SPECULATIONS OF 1825-26—THE BRITISH IRON COMPANY AND MR. HORSLEY PALMER—FOREIGN SCHEMES OF RAILWAYS—THE IRON TRADE—SUCCESSFUL SPECULATION OF A BANKRUPT SCOTCHMAN—RAILWAY MEETINGS AND THEIR FEATURES—MR. LEVY, A GREAT "PACIFICATOR"—HIS CONDUCT AT SUCH ASSEMBLIES, AND HIS SUCCESS AS A RAILWAY SHARE BUYER—ERRORS OF MANAGEMENT IN RAILWAYS—THE BENEFICIAL INFLUENCE OF THE RAILWAY PRESS.

THE present railway mania bears some affinity to the bubble period of 1825-26, and its progress follows under almost similar circumstances. Between 600 and 700 projects for railways have appeared before the public for support within the last twelve months, closely identified with English interests, while foreign schemes have poured in from all quarters. The English, Irish, Scotch, and Welsh lines, included in this list, require upwards of 600,000,000*l.* to carry them out.* The great difference

* The progress of the railway mania is so rapid, that in fact it is unsafe to give any estimate of the nominal amount of capital the new projects involve. Every day fresh schemes are appearing, and millions upon millions are required to support the plans proposed. The whole of the capital will, however, never be required, because as many as five and six competing companies make their appearance for every line.

between the speculation of 1845-46 and 1825-26, appears to be, that in the one period the general principle of Joint Stock Companies was advocated, and, in the other, the principle being well known, is applied to the extension of the railway system.

In 1825-26 the number of companies brought forward for the suffrages of capitalists, was about 300, involving a nominal sum of 180,000,000*l.* They included companies for the construction of railways, metal mining, canals and locks, gas companies, insurance companies, banking companies, sugar companies, fishing companies, early-milk-delivery companies, bread and flour companies, and others of every conceivable denomination. In this period the British Iron Company was formed, the disastrous litigation of which with Mr. T. Attwood, the proprietor of property the directors purchased, has rendered the name of the concern notorious. As Mr. Horsley Palmer said at one of the meetings held a year or two ago, when the shareholders were called together to deliberate on measures to be adopted for the dissolution of the company, and the winding up of its affairs—"It was unfortunately one of the projects ventured in a period, when it was thought the golden age had been realized, and when, without a proper consideration for consequences, the public too eagerly encouraged the schemes of the day." This was the time, we may also add, when South America Mining Securities mounted in value to a point that was never before exceeded; when Mexican Mining Shares, United Mexican Mining Shares, and Brazilian Mining Shares, sold at prices 100 per cent.

above subscribed capital; and when the stock of the Real del Monte Company was quoted nearly 800 per cent. above the actual calls paid.

The excitement of this period is well comparable to the rage of our own day, when, exclusive of the large sum of money necessary to carry out British schemes of railway, an amount of nearly 70,000,000*l.* or 100,000,000*l.* is asked in contribution towards foreign projects. We trace again the same features, in the present period, as those manifested in 1825-26; an enormous advance in the value of iron, an increased demand for manufactures, better prices for sugar and other articles of consumption, and an overwhelmed and an abundant money-market. These were all the symptoms of the speculative years 1825-26—they are again the symptoms of the speculative years 1845-46.

The rise in the value of the great staple, Iron, has been one of the features of the present railway movement; but this was little more than expected, seeing the close connexion of the two interests. The depression that before existed in this branch of trade, and the low prices which ruled, soon induced buyers to operate freely; and the lever being applied both in London and Liverpool, a rise shortly followed, exceeding in extent the greatest anticipations of the holders. From the success of the speculation in Iron, many men with crippled fortunes have established themselves in a permanent position. Some few have suffered from the good fortune others have attained, by a movement of which they themselves were the originators; and others having

cleared the market at the lucky moment, have risen from small means, and retired with a comfortable competency. Nothing can better illustrate this statement than the fact, that a bankrupt Scotchman, who came to London two years back as a jobbing commission agent, has gone "t'other side o' the Tweed" with about 30,000*l.*, the proceeds of the little business he transacted in Iron, rather preferring to live in quiet enjoyment than trouble his mind further with the anxiety of commercial concerns. The reverse of the picture can be exhibited, and not in a solitary instance. The late advance of from 120 to 150 per cent. in the value of the article is a range of fluctuation illustrative of the extent of dealing in it.

The railway mania has also, in its different phases, much of the excitement and superstition of the bubble period of 1825-26. If, in the great days of Spanish America Mining Companies, it was considered a fortune to have a friend who possessed shares in the Real del Monte Association, there is a parallel case with respect to those who have now any weight or influence with the successful patrons or supporters of railways. If, in 1825-26, the man who could claim acquaintance with a Kinder was expected, in the course of a few years, to realize the imagined wealth of an Eldorado, he that in 1845-46 can command the nod of a Hudson, may be supposed to reckon upon unlimited premiums in all kinds of lines, whether on the broad or narrow guage, and only find the happy phantasy dissipated after a three months' anxious longing. Every one connected with railways must have made money, is the cry of the public,—and so it was

in the rage of 1825-26. The truth was only discovered when the panic came, when, right and left, the infatuated dupes were cut down as grass under the mower's scythe.

No person who has ever attended the yearly or half-yearly assemblies of railway proprietors, can have failed to notice the various grades of society thus brought together, from the haughty and aristocratic *millionnaire*, boasting, perhaps, possession of the larger amount of the stock of the concern, to the petty tradesman, holding his little all in an investment of five shares, each summoned to deliberate and be heard on the interests or the prospects of the undertaking, and each sedulously watching the movements of the executive with the view of having his own opinion of the proper course of business thoroughly enforced. The intermingling of these parties, both having peculiar prejudices and motives, invariably tends to create those differences which are sure to arise in companies not paying a sufficient dividend, or no dividend at all, and leads to the *cliqueism* unfortunately prevailing among the shareholders of many companies of the present day, and which but too frequently has its weight, not alone in right, but in might. The endless controversy observable between several directorates on a route of road, the traffic of which has not yet been fully developed, is a spectacle that of late has thrust itself on public notice, depreciating not only the property of the two immediate belligerents, but also embittering friendships which, but for this continued feud, seemed to be sincere, and promised to be lasting.

The result of this battle has been seen lately in the

worn-out efforts of the weakest of the Companies being at last obliged to succumb and accept the terms of its more powerful and successful rival.

In such a state of things as is thus presented, it is very pleasing to find one or two individuals who, though holding a prominent position with respect to wealth and influence, are not carried away with the current of either faction that surrounds them, but who generally pursue their own plain, open course; recommending, with good sense and feeling, a moderation of action, or endeavouring, with gentle persuasion and well-directed observations, to point out errors existing in the policy of both parties, and thus ultimately effecting, for the time being, if not for the future, that good order and good temper so necessary to get through the multitudinous business brought forward at the periodical gatherings of proprietors.

No man connected with the Companies of the present day is more capable of effecting this desirable change than Mr. Levy, who is so well known from his extensive connexion with associative undertakings. As a man of wealth and influence, he enjoys a sound city reputation, which, however, within the last few years, has been much enhanced by the amiable qualities he has displayed on occasions such as those alluded to. All who know Mr. Levy, either in public or in private, will be ready to award him the meed of praise in this respect; and whether it be at a meeting of Bank or Railway shareholders, there will be few who can fail to recollect him when more particularly described.

Mr. Levy does not aspire to the pretensions of the

polished gentleman, and therefore, unlike many of his persuasion, relies upon good sound sense and common utterance, to give weight to whatever he may advance in the arena of public discussion; and though his language may not always be of the choicest description, nor his sentences delivered with Addisonian exactitude, his address, nevertheless, invariably embodies such home truths as seldom fail to gain attention. Mr. Levy never "minces the matter." Whenever he discovers anything like turpitude in a direction, he tells them plainly what he thinks of their manœuvres. Most perseveringly does he "touch up" the lawyers and engineers relative to the share which these professionals have, in almost all cases, well secured as the reward of their labours in the preliminary expenses of railway undertakings. He has always been an unflinching advocate for shareholders' interests, as contradistinguished from managerial policy; but while supporting the good of the general body, he has never yet been known to allow his sympathy with his co-proprietors to interfere with the discretionary powers which directors ought at all times to be permitted to exercise when it clearly appears they have the confidence of the majority of their constituents.

No one can well mistake Mr. Levy, or his policy: once seen and heard, he will ever after be remembered. There is a degree of honesty and integrity in the expression of his sentiments, delivered in a broad, blunt, and unstudied manner, that will always fix the minds of those whom he is addressing. His brevity of speech is an example to be followed by the majority who seek to

arrive at the position of orators, and to figure at these meetings.

Unfortunately, persons who attend these gatherings are often compelled to listen for hours to speeches which, notwithstanding they fall from gentlemen endowed with an extensive command of language and metaphor, do not exhibit one tittle of the sound common sense or logic contained in one of the short pithy exclamations of Mr. Levy. This practice, of infringing upon the patience of auditories at railway and other joint stock meetings, is becoming too prevalent: the meeting is not convened till one o'clock P.M.; the chairman, if a moderate speaker, addresses the shareholders for half, or three-quarters of an hour, on the matter therein contained, and the business of the day could be got through comfortably in a couple or three hours at most, if the necessary inquiries were properly put. But, instead of this, much to the annoyance of men of business, and interruption to the quiet proceeding of the affairs of the Company, some three or four loquacious individuals dilate upon subjects very often quite foreign to the purposes of the day, and so protract the proceedings. Mr. Levy is a noble example to be followed by these gentlemen.

It is at such meetings as those of the Croydon, the Greenwich, or South-Eastern Railway Companies, that Mr. Levy is to be seen in the height of his glory, either as a mediator, suggester, or, if necessary, a joke-cracker. There he is, a short, stout gentleman, decently dressed in black, with his white cravat enclosing a goodly-sized neck, standing with his hat under his arm, ready for the

meeting,—the meeting ready for him. They expect something good, nor are they disappointed. How his kindly features smile through the exuberance of flesh! How his small grey eyes sparkle as he listens to the twaddle of some long-winded declaimer! How his jokes, distributed *con amore*, whiz, and make the room resound with peals of laughter at the unlucky wight against whom they may be directed,—and how his interlocutory observations produce good feeling and good fellowship when, to all appearance, party faction is likely to run riot through the proceedings!

Mr. Levy is most in his element when there is something mooted likely to arouse the ire of shareholders. It is pleasing to notice with what consummate skill he will watch the gathering of the storm, and the progress and points of the several speakers taking part in the debate. Fortunate, occasionally, is it, that Mr. Levy will stand up boldly for directors, even in the face of the best speakers, and, without at all compromising his position, fearlessly call upon the shareholders to give them further trial, and forget past offences. The cheers following the trite remark, delivered in his own peculiar style, that "it is a long lane that has no turning," have often restored confidence, and disarmed opposition, when it was doubtful whether the Board would not incur the penalty of a vote of censure. Hence it is at these meetings smiles and compliments often pass between individual members of railway directions and Mr. Levy, before business commences, it being evidently the desire of these gentlemen to ascertain if Mr. Levy stands in their ranks, or if not,

to endeavour to persuade him of the honesty of their intentions, and their wish to promote the prosperity of the undertaking. All this, however, never seems to make the least impression upon Mr. Levy. He is as willing to give his voice against the directors as in their favour, if their conduct be not in unison with what he thinks right; and he utters his opinions as freely, and in language as pointed and strong, as he does on any other occasion when their conduct merits his praise. He is no holiday reformer—no place seeker; and were half of the chief characters at railway meetings as consistent, and as truly sincere as this gentleman, more business would be transacted, the undertakings better supervised, and less of the valuable time of the shareholders wasted.

Mr. Levy, there can be no doubt, is a man of considerable wealth. At one time he was the lessee of the principal turnpike trusts in various parts of the country, and even now, it is understood, holds a considerable number; but with the natural foresight and practical knowledge acquired by his close connexion with the Stock Exchange, he became alive to the future prospects of railway shares as a money security, and therefore has largely invested in this species of stock. His appearance as a holder of a large amount of the exchequer bills surreptitiously issued by Beaumont Smith, the advances on which, with interest, were reimbursed him, after the Committee of Investigation presented their report, is further evidence of his means, besides his known attendance as a shareholder at most of the Joint Stock Bank and Mining meetings which take place throughout the

year. At all these his presence is hailed with delight, he is regarded with no mean consideration, and, it may be added, appears to be universally respected.

The errors of management in railways, which form a subject of the deepest consideration to the public in our days, and which have been so often discussed in the journals devoted to this particular interest, would seem to be gradually decreasing under the mild correctives administered through the medium of these publications. And it is not too much to say, that individuals who have laid out their capital in shares of many of the second and third rate lines owe a deep debt of gratitude for the exposures which, from time to time, have been made of the flagrant delinquencies and shameless jobs carried on in the "close borough" companies.*

Railway management, which, in the true sense of the word, is only just coming into existence, has been a theme on which few have dared to descant; not alone from the idea generally prevailing, that so long as the public themselves were careless of the course of events, it was not the business of individuals to interfere, and unfold "the secrets of the prison house," but also because those persons who were best able, and had the readiest means of enlightening shareholders on the subject, were themselves identified, in one way or other, with

* The support the railway papers have received during the present speculation in these projects must have yielded a large revenue to the proprietors. It is stated that the five leading journals take, on the average, from 200*l.* to 250*l.* per week each for advertisements; while their circulation, in several cases, reaches between 6,000 and 7,000.

friends or relations, whose increasing prosperity from such a state of things might be endangered.

It is much to be questioned whether the extent of speculation, either in respect of patronage in directorates, or profits derivable from legal and engineering pursuits, would have held such a prosperous career had the railway world been properly protected, as of late years, by an influential and impartial press; for assuredly, in the progress of the system, examination discovers that it was long anterior to this date, that so much of fraud and falsification was engendered in the framing of estimates, which led to great excess in raising capital. But although this appears to be the state of the case, it is not intended to be asserted that jobbing does not now exist to a certain extent. The reports published and distributed among the shareholders clearly show, if scrutinized and discussed, that there is yet an amount of jobbing going on. Moreover, it is not unlikely, unless parties are carefully watched, that freaks of the same character may be attempted in many of the new projects seeking the support of the public. What is meant to be asserted is, that through the aid of the just animadversions passed upon such nefarious transactions by the railway press, the "needy" gentleman, the adventurous speculator, and the briefless barrister, have shown more caution in holding out baits to clear the pockets of the unwary of sums, which, when obtained, have been lavishly expended for the benefit of the few individuals immediately connected with the undertaking.

Out of this change has arisen a new order of things.

The poor shareholder, instead of remaining the passive spectator of the waste of his capital, whether hard-earned or hereditary, or patiently responding to the request of the directors for further supplies, has the comfort of knowing that, by the vigilance of the press, he is afforded an opportunity of not only inquiring into the real evils affecting the property with which he is connected, but that his cause is not slighted or unreguarded by that strong power. The errors of railway management, under this change of circumstances, have been much decreased. Expenditure of capital is brought within reasonable bounds; care is paid to the limit of law expenses; patronage of directors is much more investigated; and last, though not least, engineers undergo an ordeal which plainly convinces them that proprietors may possibly understand the value of earth-work, and the probable cost of land, as well as the profession themselves.

CHAPTER VI.

THE ROYAL EXCHANGE—THE BUILDING—ITS ALTERED APPEARANCE SINCE THE FIRE—'CHANGE AND ITS FREQUENTERS—HOURS OF 'CHANGE—THE FOREIGN EXCHANGES AND THE DEALERS—THE ROTHSCHILDS—SKETCH OF THE BROTHERS—THEIR MODE OF BUSINESS—THE LATE MR. ROTHSCHILD AND HIS WEALTH—THE BARINGS—THE SALOMONS AND OTHER PEOPLE ON 'CHANGE—OLD JAMES WILKINSON—CHARACTERISTICS OF 'CHANGE—LLOYD'S COFFEE HOUSE—THE BUSINESS OF LLOYD'S—THE SUBSCRIBERS' OR UNDERWRITERS' ROOM—LLOYD'S BOOKS—OPENING OF THE ROOMS—UNDERWRITING VESSELS—DESCRIPTION OF UNDERWRITERS—SPECULATIVE UNDERWRITING—"GOOD BOOKS" AND "BAD BOOKS"—THE MERCHANTS' ROOM—THE CAPTAINS' ROOM—MR. T. WARD—MR. JOSEPH SOMES—THE CHART ROOM.

EVERYBODY knows the origin of the Royal Exchange, and for what purpose it was instituted; everybody knows that Sir Thomas Gresham, one of the most successful and enterprising of our merchants in Queen Elizabeth's time, built it for the convenience of his brethren of the city of London in the transaction of their business; but it is not everybody that understands how that business is now transacted, or who are the individuals representing the great commercial interests of the present day.

The Exchange has altered within the last seven years; first, by fire, and, secondly, in appearance. Instead of the old massive building, with its firm oaken benches for

the accommodation of those who were tired of pacing the ambulatories, and its walls extensively illustrated with placards of ships about to sail; of goods to be sold; and lists of the sworn brokers of London, we have now a large and sightly building, with walls redolent of colours, exhibiting in the encaustic process vases filled with fruits and flowers, gay, indeed, but not universally admired by men of business, or connossieurs in architecture.

'Change, in its old character, has gone; there is now no fearfully sonorous bell; the beadles are themselves resigned; and all wears the aspect of peace and mildness. The hours of 'Change are also altered, and we were almost going to say the "walks" too; for without the public are perfectly acquainted with the arms of the various foreign countries, they will have some difficulty in finding the quarters of their friends, the old-fashioned plan of exhibiting the names of "Hamburg," "French," or "Greek" walk, having been done away with in the new building. There are, however, the same old favoured spots, changed though they be in appearance; and notwithstanding we have lost the great Rothschild, Jeremiah Harman, Daniel Hardcastle (the well-known Page No. 1 of *The Times*), and a few other ancient faces, many continue on the "walks," who have for years trod them, and who seem as well accustomed to business habits as heretofore.

The younger Rothschilds occupy a pillar on the south side of the Exchange, much in the same place as their sire stood before them. The Barings, and the Bates's, the Salomons, the Doxats, the Durants, and other influ-

ential merchants, still come and go as in olden days; and though a few sarcasms may occasionally be launched against the *outré* appearance of the painted walls of the interior ambulatories, it is not discarded as a place of business by those whose necessities bring them to it.*

The rapid improvements that time makes in all things, has vastly altered the inside of 'Change. Separate places are set apart for the announcement of ships sailing, or quack advertisements, and the walls have ceased to display that immense amount of information which formerly could be gathered from them. The little shops in the neighbourhood even seem to have suffered, and the clearance of Sweeting's Rents, and the piazzas round 'Change, have apparently deprived them of much of the business they before transacted. Nobody, however, can complain of the general appearance of the Royal Exchange. As a building, it reflects great credit on the architect, and must hand his name down to posterity; but, as far as the wants of the merchants are concerned, there is an absence of that air of comfort and steadiness about it, which detracts from it as a place of business resort.

The hours of 'Change,—as regulations lately instituted enforce,—are from half-past three to half-past four, P.M. a period when the merchants and others connected with mercantile affairs meet together before the close of the

* It should be stated that a tablet has been erected in the Exchange, acknowledging the services of *The Times* newspaper in exposing the celebrated Bogle fraud. This is a striking instance of the power of

business of the day. The different interests are severally divided, and hold, almost by prescriptive right, a particular spot where their members meet, and these are called the "walks,"—such as, for instance, those we have named in the introduction, or the "Mediterranean," the "German," the "Spanish," or "Portuguese" walks. Here parties discourse of the latest events; failures, if there be any; recent contracts for goods; last quoted prices, and general business.

The two great days on 'Change are Tuesday and Friday, and then the full force of the mercantile interest are in attendance, as the operations which regulate the foreign exchanges are on these occasions concluded. On these days the Messrs. Rothschild arrive on 'Change about half-past three or a quarter to four o'clock, and take contracts for bills on foreign places from or with other exchange-brokers, the bills being given in payment for goods shipped to all quarters of the Continent. These bills are purchased or sold, as the requirements of the operators render necessary; and hence a fall or rise in the exchanges on the various points, as the scarcity or abundance of paper may happen to preponderate. When a scarcity exists, and few takers are to be found, the rates of exchange fall; when there is an abundance, the competition of purchase causes an advance.

The Rothschilds are the greatest operators in foreign bills, their connexions on the Continent absorbing, we should say, by far the largest amount of the paper so offered. It has been stated that their dealings in the foreign exchanges exceed an amount of 100,000*l.* per

week. Since the death of the father, the sons have carried on the business with great success. They are three in number, and usually attend 'Change together; always two of them, if not three, are at their accustomed place. The Baron Rothschild, the eldest, appears to be nearly forty years of age; the other two brothers seem between thirty and thirty-eight. Once having seen the father, there is no mistaking the sons; the same peculiarity of Hebrew visage and heaviness of physiognomy; the same rotundity of person, the same apparent aptitude for business, mark the family, their race, and dealing.

It is understood that they are in all respects able representatives of the firm they manage. In their business habits, there may, perhaps, be a little more show of "proud imperiousness" than was customary with the father, and this may arise from their consciousness of wealth. The father was, in great part, the constructor of his own fortune, and therefore had not imbibed the prejudice of persons born with overflooding riches; which is precisely the reverse of the case with the sons. We have heard this stated of them in some quarters, but there may be no solid foundation for the assertion, and envy may have raised the rumour for the gratification of a certain pique.

The wealth of the house is very great—it would, indeed, be indiscreet to venture an estimate. The loans that the partners are concerned in, the dividends they pay as the contractors for many of these, and the extent of interest they have in almost every money operation on

foot on the Continent, are a few of the items illustrative of their immense resources. Their father made a considerable portion of his wealth by his speculations in the public securities; but his sons, it is said, do not transact a tithe of the same description of business. They almost wholly confine themselves to the more legitimate operations of foreign bankers, and perhaps are the safer in the long run for it.*

Mr. Rothschild himself, notwithstanding the extreme success of his dealings in this respect, was once or twice within an ace of seeing his fortune shattered by them. However bad appearances might occasionally be, and however much he feared the result of his ventures in consequence, a change in circumstances always luckily rescued him at the moment when there seemed to be no other than the dismal prospect of a heavy loss before his eyes. His sons appear less inclined to follow his example; and though they are now turning their attention to foreign railway shares, it is more, we should think, from the attraction of their position as bankers, than

* The correspondent of the *Morning Herald*, in his late letters respecting the visit of the Queen to Germany, records the following anecdote of the Rothschild family:—"Amongst the visitors to her Majesty was the great Rothschild: *apropos* of this family, the mother of the European capitalist still inhabits her ancient domicile in the *Judengasse* (the Houndsditch of Frankfort). It is narrated that she had lately a severe illness, but by the great skill of her physicians was re-established in health. On being congratulated by a friend on her convalescence, the old lady observed, 'No, no! I must not yet die, I am only ninety-four; I must be first at *par*.' And the mother of all the Rothschilds is likely to have her speculative spirit in age verified."

a desire on their part to join in the present speculation.

The business of the Rothschild Brothers is carried on in palatial counting-houses in St. Swithin's Lane, King William Street, and the establishment consists of between thirty and forty clerks. On entering the place, you at once perceive the activity of the several departments, and are impressed with the notion, that, after all, the amount of wealth concentrated in the firm is turned over with extreme facility, considering the perfect freedom with which the dependents of these great capitalists go about their duties. But the difference is this:—we are not in the *sanctum sanctorum*, where calculations are made, where the brain is at work, devising schemes for the future increase of wealth, and where instructions are given for perfecting those weighty operations for which the house is so famous; or else we might be able to describe a little of the labour and a little of the energy required in giving the first impulse for working out these transactions. Sealed doors are here, and prying curiosity dare not look in.

The Rothschilds are decidedly the greatest people on 'Change. In business they are attentive, and, securing the best aid of the friends and advisers of their father, go on in a smooth and prosperous course. Out of business, they are men of pleasure, indulging in the luxuries of life, and countenancing the sports of the field.

The other great people on 'Change, besides the Barings and the Bates's, the Doxats and the Salomons,

are the Crawshays, the Curries, the Wilsons, and a number of other gentlemen, all of whom represent establishments of long standing. The Barings, the Salomons, and one or two others are, like the Rothchilds, engaged in large monetary operations.

The Barings are eminent for their immense connexions with America. Two members of the family have secured parliamentary honours, and Lord Ashburton was formerly a partner in the firm.

The Salomons are known from their connexion with Dutch finance. The father, who has died within the last few years, was remarkable for his very Jewish appearance, and indeed was more to be compared with an itinerant dealer in old clothes than a merchant and money-changer. To see him toddling down Bartholomew Lane, towards his offices in Shorter's Court, Throgmorton Street, with his crutch stick, his bent back, and close-cut grey beard, one would have thought, giving him credit for his decency of dress, that one of the more respectable of the class of Cutler Street or Rosemary Lane-dealers was on a visit to his broker to invest a trifle. Although thus strange in his appearance, the elder Mr. Salomons was by no means parsimonious. He provided liberally for his friends, assisted many of the needy of his persuasion, and is esteemed as having been a kindhearted and benevolent man.

Mr. David Salomons, his son, upon whom, in later years, the weight of the business of the house has devolved, is ambitious for parliamentary and civic honours. He has laboured zealously for years in and

out of the metropolis, for the emancipation of his sect from civic disabilities. As a man of business, and one who steadily pursues a path of honesty to arrive at an end, he is one of the best specimens of the class to which he belongs.

There is only one mistake about Mr. Salomons, which is, that he thinks himself an orator. This is unfortunate, as the ambition of the gentleman is for that which he can never attain. He may gain a seat in parliament,—perhaps he may sit for the Rape of Bramber,—but yet, withal, he can scarcely hope to be an orator. Although possessing commanding height, and some slight intelligence of countenance, his natural defect in voice, the tone of which is more like the squeak of a penny trumpet than that of a human being, is a difficulty which we fear he will never be able to surmount. Mr. Salomons would, no doubt, make a good working or fagging man for a party, but a position in the school of eloquence would be denied him.

The age of Mr. Salomons must be nearly fifty. He is a very gentlemanly man, and among his friends he has the reputation of being charitable and considerate. His business, we should say, is a matter of lesser consequence to him now than the career of politician which he has adopted. Being very wealthy, he can afford to pay for any whistle he may choose to purchase.

Of the old faces we used to meet on 'Change, many have disappeared. Mr. Page has gone; Jeremiah Harman is no more; and James—old James Wilkinson the broker—is not always there. Mr. Page, with his

enfeebled gait; Mr. Harman, with his quiet and reserved demeanour—both of these have passed away, much honoured and respected.

Jemmy Wilkinson, one of the old school, remains. He is as full of prophecies as ever; each of the gilt buttons of his antique long-tailed blue is an oracle, if you can digest all his commercial information, and place credence in his calculations respecting the fate and the prosperity of our commerce. His friends in Yorkshire; his doings in the Indigo sale-room; his cherished feeling of patriotism, though it renders him a beggar, are still the small talk of old Jemmy. What would be the Board of Trade without him? What are the recent alterations in the tariff, but those that, many years ago, he said ought to take place? What good could he not effect, if the Ministry were but to listen to him? These are the old queries, and the old answers, pregnant with the wisdom that none but such a real John Bull as Jemmy could utter. Say what you will, we have a great regard for this old man; he is a type of a race nearly extinct; and whether he is, as he himself imagines, the last of the true Cobbetites of the gridiron dynasty, one thing is certain, he speaks in sincerity what he means, and disguises nothing of his creed or sentiments.

These are a few of the characters traceable in the immense multitude that frequent 'Change, and come to transact business with each other. The banker and the merchant, with the broker and the dealer, all are there, each busily engaged among his several friends, and the

one with the other moves in his course of trade without fear or trembling. If there is a place where all are equal, and the distinction of wealth is unknown, it is on 'Change. The small jostle with the great, heedless of right or might, and the concerns of the one weigh as heavily as those of the other, in the breasts of the individuals affected, and of those with whom they have dealing. The scene of 'Change during active business, is a sight worth witnessing even by those who have every opportunity and yet neglect it.

The business of Lloyd's Coffee-house, so celebrated for exclusive information relative to shipping, has for a long period been conducted in a suite of rooms in the upper part of the Royal Exchange. Lloyd's is, perhaps, the oldest collective establishment in the City. It was first under the management of a single individual, who started it as a room where the underwriters and insurers of ships and cargoes could meet for refreshment and conversation. In the course of years it has become so important a body, that the subscribers and underwriters represent the greater part of the mercantile wealth of the country.

The affairs of Lloyd's are now managed by a committee of underwriters, who have a secretary and five or six clerks, besides a number of waiters to attend upon the rooms. The rooms, three in number, are respectively called the Subscribers'-room, the Merchants'-room, and the Captains'-room; each of which is frequented by various classes of persons connected with shipping and mercantile life. Since the opening of the Merchants'-

room, which event took place when business was recommenced at the Royal Exchange in the beginning of this year, an increase has occurred in the number of visitors, and, in round numbers, the subscribers to Lloyd's are estimated at sixteen hundred individuals.

Taking the three rooms in the order they stand, under the rules and regulations of the establishment, we shall first describe the business and appearance of the Subscribers'-room. Members to the Subscribers'-room, if they follow the business of underwriter or insurance-broker, pay an entrance-fee of twenty-five guineas, and an annual subscription of four guineas. If a person is a subscriber only, without practising the craft of underwriting, the payment is limited to the annual subscription fee of four guineas. The Subscribers'-room numbers about 1,000 or 1,100 members, the great majority of whom follow the business of underwriters and insurance-brokers. The most scrupulous attention is paid to the admission of members, and the ballot is put into requisition to determine all matters brought before the committee or the meetings of the house.

The Underwriters'-room, as at present existing, is a fine, spacious room, having seats to accommodate the subscribers and their friends, with drawers and boxes for their books, and an abundant supply of blotting and plain paper, and pens and ink. The underwriters usually fix their seat in one place, and, like the brokers on the Stock Exchange, have their particular, as well as casual customers.

At the extreme end of the room is the place set apart

for the exhibition of the shipping lists received by the house from Lloyd's agents at home and abroad. In every part of the known world an agent is appointed; and though the emoluments are not large, as far as salaries are concerned, still the position acquired by the distinction produces business in other respects, persons filling the office giving first-rate references for integrity and respectability. The lists and letters afford the particulars of departures, arrivals of vessels, or of accidents that may occur to them, the details of wrecks, salvage, or sale of effects that may take place, of property saved from such calamities; the duty of the agent, in the latter case, being to claim the proceeds for the underwriters, and to see that their interests are properly observed. This is information of the first importance, not only to the underwriters, but also to the public, who, through the papers, get a careful digest of the news so obtained. It is in this manner that, at one view, the subscriber to Lloyd's ascertains the fate of his risks on vessels making long voyages abroad, and the probable loss or success of his speculations.

"Lloyd's Books," which are two enormous ledger-looking volumes, elevated on desks at the right and left of the entrance to the room, give the principal arrivals extracted from the lists so received at the chief out-ports, English and foreign, and of all losses by wreck, or fire, or other accidents at sea, written in a fine Roman hand, sufficiently legible, that "he who runs may read." Losses or accidents, which, in the technicality of the room, are denominated "*double lines*," are almost the first read by

the subscribers, who get to the books as fast as possible immediately the doors are opened for business.

All the three rooms are thrown open to the public as the 'Change clock strikes ten, when there is an immediate rush to all parts of the establishment, the object of many of the subscribers being to seize their favourite newspaper, and of others to ascertain the fate of their speculation as revealed in the "double lines" beforementioned. To prepare for the subscribers, it is necessary that the clerks and waiters should be in their office or the rooms by eight or a quarter past eight in the morning; and Mr. W. Dobson, the secretary, is very little later. The translator and the clerks prepare the intelligence for the subscribers by looking over the lists and papers received by the post, and taking out whatever appears worthy of having a prominent place on the books. This is copied on a manifold-writer, and from thence transferred by the second clerk to the books.

The writing of the subscribers' books generally commences about nine o'clock, and hence an hour's work upon them gives a fair sample of the intelligence they are likely to receive in the course of the day. The books now seldom relieve the clerks of the first batch of intelligence before eleven or twelve o'clock, and additions, through the facilities afforded by the improved system of postage, are constantly made up to the close of business. The head-waiter, between the hours of eight and ten o'clock, is engaged with the assortment and filing of the lists and papers he receives from the clerks after they have gone through the process of marking and

extract; and the other waiters attend to the arrangement of the room, the proper supply of pens, ink, and papers.

At ten o'clock, as regular as the hour arrives, the whole of the rooms are "in apple-pie order," and the waiters in full costume, ready to attend to the subscribers. Shortly before that hour the members begin to congregate; and about half-past ten the rooms become thickly attended. At the end of the Subscribers', or Underwriters'-room, where the head-waiter is stationed, is a correct list of the mails arrived and due, and all other intelligence which the day furnishes in connexion with shipping. At the entrance is stationed one of the waiters, who take it in turn to attend to inquiries made in the lobby, and watch the coat and cloak room. This functionary is distinguishable by his scarlet gown turned up with black velvet, who suffers no person to pass without he is a subscriber. If anybody wishes to see a subscriber, he gives the name to this official, who immediately proclaims, in a commanding tone—"Harford Rivarz!" or any other person required, which is quickly circulated by the waiters in the inner room; and the name of "Harford Rivarz," or the person who may be wanted, resounds in every corner where a waiter is to be seen. If the gentleman "called" is there, he sees his friend; if he is not, the waiters say so, and direct the inquirer to the place where he is perhaps to be found.

All the old faces in the Subscribers'-room apparently rejoice at their return to the Exchange after so long an estrangement; and though at present it may not, in every respect, prove as comfortable as the room destroyed,

when their quarters were burnt down, still it is far preferable to the place they have left at the South Sea House, which never could have given them the required accommodation.

Business commencing in the Subscribers'-room at ten o'clock A.M., it generally concludes about four or half-past four P.M.; the place being always cleared by five at the latest. If a straggler stay as late as that hour, he is soon glad to quit, for the clouds of dust raised by the waiters, who then begin to water and sweep preparatory to dusting the following morning, would render his sojourn anything but agreeable. We suspect that the waiters are quite aware of the efficacy of this plan for ridding themselves of late visitors; and they have before now given gentle hints of the inconvenience commonly arising from the compound of water and dirt so generally distributed at that hour.

Mr. Dobson, the secretary, leaves about half-past five; the clerks and translator at six, or a little after; and the waiters about the same hour. Certain alterations in management recently made have, in certain respects, reduced the scale of salaries; but not to an alarming extent. The secretary's present salary, and which, by his attention and industry, he well earns, is between 800*l.* and 900*l.* a-year. After his death or retirement, it is understood that it will be reduced about 300*l.* a-year. The clerks' and translator's salaries range from 100*l.* to 300*l.* a-year; and the waiters from 100*l.* to 250*l.* The appointment of master, which was abolished on the resignation of the late occupant, was a berth worth

400*l.* a-year; but a pension of 150*l.* a-year was awarded that individual for his services on his retirement.

Having thus given an idea of the Subscribers', or Underwriters'-room, we must now state the description of business transacted by its members. The underwriters at Lloyd's are those persons who insure ships and cargoes against "risk" and "damage," and are paid a premium on their adventures proportionate to the supposed chance the voyage involves.

The number of underwriters may be stated at about seven or eight hundred out of the ten or eleven hundred that frequent this room, and include three descriptions of people; first, those who underwrite on their own account; secondly, those who represent, at a salary, the various Marine Assurance Companies; and, thirdly, those who underwrite for merchants' houses.

The first class require to be possessed of capital to enable them to pay their losses, if they sustain any, and judgment to direct them in the choice of their "risks;" —the second and third classes only require experience and common prudence, as losses on vessels underwritten by them are paid by their employers, they only being agents in the business.

As a Register of Vessels, called "Lloyd's Register," is published and corrected from time to time, the underwriter, by the information thus given, ascertains the class and standing of the vessel offered for insurance; her date of building, where built, and of what material she is constructed. The insurance of a vessel is effected on a policy, which provides, much after the same fashion as

those of life and fire offices, that, for a certain premium, the insurer shall incur a certain risk; with this difference, that whereas, in the case of a fire or life policy, the premium is payable till the event of fire or death takes place, the premium, in the case of a vessel insured, is paid, and the risk ends with the termination of the voyage.

The rates of insurance upon vessels, stores, or cargoes, differ, and are not regulated by any precise scale. In time of war they rise, and additional premium is demanded for extraordinary risk. Underwriters very seldom, without it is for a limited sum, take the whole responsibility of a ship or cargo. They endeavour, in most cases, to divide their risks in such a manner as not to entail very heavy losses, without it occurs on a vessel which, having made many successful voyages, is readily sought for insurance, and at last falls a prey to wreck or other accident. The insurance of vessels and stores is effected by the owners or charterers; the insurance of cargoes, by the merchant or shipper.

High rates are often paid for risks on vessels after the period has expired for arrival at their destination. But such transactions are usually regarded as speculative, and are only engaged in by parties willing to accept a very large premium for the chance of incurring a very large loss. Whenever bad weather is reported, the underwriters are in a great state of alarm for the consequence, and many lengthened faces are seen pondering over the list of "double lines," which the books exhibit on these occasions.

The business of Lloyd's has decreased within the last seven or eight years, by the constitution of several Joint Stock Companies, the latter having been enabled, as associative concerns, to come into the market, and lower the rates of insurance. The London and the Royal Exchange Assurance Companies, who have, almost from time immemorial, given attention to this department of business, have not, in any great degree, contributed to this change; it is the new companies, which it is understood have not been great gainers by the competition they have raised. Indulging in large risks on the payment of reduced premiums, they have, in a number of instances, been severely mulcted by the heavy amount of losses.

To render the process of underwriting as intelligible as possible, we may suppose a case, for the purpose of illustration. Suppose a vessel of the class A 1, registered for seven or ten years, be valued at 20,000*l.* or 30,000*l.*, a policy is effected upon her, and the owners or their brokers go among their friends at Lloyd's, and see at what rate she can be insured. If the voyage be a distant one, or the season of the year be considered dangerous, the rate will most materially vary. Thus, at one time, a premium of 1*l.* 1*s.* or 2*l.* 2*s.* per cent. might be taken, and at another time the underwriter would, perhaps, not be inclined to do business under 3*l.* 3*s.* or 4*l.* 4*s.* per cent., it not only depending on the class of the ship, but the cargo she is likely to carry, and the port for which she is bound. These are all considerations which the underwriter most carefully weighs in his mind before he takes any part or risk in an adventure of the sort. On a vessel of 20,000*l.*

or 30,000*l.* value, the policy of insurance might be divided among as many as a dozen underwriters, including some at Liverpool or Glasgow. And it very often happens that the Liverpool and Glasgow people will insure their ships in London, and *vice versâ*. This will account for the statement occasionally to be seen in the papers, that "notwithstanding the vessel was a London trader, the greater part of the loss will fall upon the underwriters in Liverpool and Glasgow."

When a vessel continues absent after the expected date of arrival, and no news has been received of her, the premium of insurance will advance considerably, and then the business resolves itself into a mere speculative transaction. Some of the members of the room snap at this business, but it does not often prove profitable. The ill-fated *President* was "done" at a very high premium in the room, and up to the latest moment of hope persons were found willing enough "to take a few thousands of her at a long price." When bad weather has occurred, either on the coast or abroad, the underwriters at Lloyd's make the most anxious investigation of the books and the lists received, to trace, by every possible means, the result of their risks.

The remark of "a good book," or "a bad book," among the subscribers, is a sure index to the prospects of the day—the one being indicative of premium to be received, the other of losses to be paid. The life of the underwriter, like the stock speculator, is one of vast anxiety, the events of the day often raising his expectations to the highest, or depressing them to the lowest,

pitch; and years are often spent in the hoped-for acquisition of that which he never obtains. Among the old stagers of the room, there is often strong antipathy expressed against the insurance of certain ships; but we never recollect it being followed out to such an extent as in the case of one vessel. She was a steady trader, named after one of the most venerable members of the room; and it was a most curious coincidence that he invariably refused to "write her" for "a single line." Often he was joked upon the subject, and pressed "to do a little" on his namesake; but he as frequently declined, shaking his head in a doubtful manner. One morning the subscribers were reading the "double lines," or the losses, and among them was this identical ship, which had gone to pieces, and become a total wreck.

The Merchants'-room is under the immediate superintendence of an officer, called the master, who can speak several languages, which acquirement is considered necessary for the convenience of foreigners, and others, visiting this apartment. The master is assisted by two waiters, whose business it is to write the books, which are duplicate copies of those in the Underwriters'-room, and keep the files of English and foreign papers in order. The subscription to the Merchants'-room is *2l. 2s.* per annum, without any entrance fee; and about five hundred of the best firms in the city have registered their names as subscribers. This room is most magnificently arranged, and the attractions of commerce, in every respect, will, in a few years, make it the great meeting-place of our merchants.

The Captains'-room is scarcely so convenient as the other apartments, and is decidedly less so than when at 80, Bishopsgate, or in the old rooms of Lloyd's. The subscription to this room, where refreshments are supplied at moderate prices, is 1*l.* 1*s.* per annum. Here the merchants and owners of vessels meet the captains in their particular branch of trade; and here also are sales of ships effected by public auction and by private contract.

In a quiet corner of the Captains'-room may occasionally be seen a little old man, dressed in a shabby blue coat, with continuations of doubtful pepper-and-salt, and dilapidated gossamer, deedily engaged in conversation with one or two of the visitors. His face is wrinkled with age, and he sits fumbling an old-fashioned gold chain and seals, which leads one to expect that he carries a watch. Beyond this simple appendage, there is nothing to induce the observer to believe that the wearer is a man of substance,—the presumption would rather be that he is a superannuated boatswain or steward of a merchantman, than one of the greatest ship-owners of the present day. This old gentleman, who is thus plainly attired, and whose appearance speaks little in his favour, is the rich Thomas Ward. He, the Somes's, and the Wigrams and Greens, have the largest amount of capital invested in the mercantile marine connected with the port of London. Some people say that Mr. Ward is worth nearly half a million of money, but the depreciation which has occurred within the last few years in the value of ship-property will, perhaps, bring it under that amount.

The late Mr. Joseph Somes and Mr. Ward were great friends. Before Mr. Somes died you usually saw him with Mr. Ward, in the Captains'-room, between three and four o'clock in the afternoon, surrounded by their dependents, including brokers, captains, and agents. Mr. Somes and Mr. Ward were both great government contractors; but, latterly, Mr. Somes carried the sway in this respect. Mr. Somes, when he was returned member for Dartmouth, resigned his business into the hands of his nephews, who now carry it on. That gentleman's death, which was very sudden, was an event spoken of in terms of general regret. The age of Mr. Somes was about fifty-five; Mr. Ward is stated to be upwards of seventy. Although there was this disparity in years between the two greatest ship-owners of London, their wealth is understood to have nearly approximated; for Mr. Somes died worth about 400,000*l*. Mr. Somes was an active man of business,—a plodder, in his way,—but his chief points of character being perseverance and steadiness, he gradually amassed the fortune which he has so liberally bequeathed among his relations and friends. Mr. Somes was a plain-dressing man, lived in no style of extravagance, but rather preferred, we believe, to dispense his means through private channels than make an outward or ostentatious display.

Lloyd's Chart-room, which is not yet quite completed, is above the Underwriters'-room, and will be appropriated to the deposit and hanging of charts and maps of the various quarters of the globe. The collection promises to be one of the most complete in existence for reference

on subjects of maritime importance; and the gratuitous presentation of sets from the hydrographical offices of foreign governments shows the estimation in which the services of Lloyd's, for furthering the interests of the shipping and mercantile community, are held. Adjoining the Chart-room are especial conveniences for subscribers, in the shape of brushes, and soap and water, which are usually the places of adjournment for ablution, after the business of the day is concluded. Lloyd's promises, under present management, to uphold the great position it has hitherto maintained; and though there may be some truth in the supposition that the incomes of the subscribers were damaged a few years ago in consequence of the lead taken by the marine assurance companies, still the effect of that has now passed away, and the improved employment of shipping gives increased hope for the future.

CHAPTER VII.

THE NORTH AND SOUTH AMERICAN COFFEE HOUSE—NEXT TO LLOYD'S IN POINT OF IMPORTANCE—CLASS OF VISITORS AND ARRANGEMENT OF THE ROOM FOR SUBSCRIBERS—THE SUCCESSFUL ORGANIZATION OF THE ESTABLISHMENT—THE SUPPLY OF AMERICAN PAPERS TO THE DAILY PRESS—THE PRESIDENT'S MESSAGE—THE "CITY CORRESPONDENT" OF THE DAILY JOURNALS—THE "CITY ARTICLE"—ITS UTILITY TO THE PUBLIC—THE TIMES AND THE EXCHEQUER BILL FRAUD—THE HERALD, CHRONICLE, POST, AND ADVERTISER, AND THE SPANISH AND PORTUGUESE BONDHOLDERS—COMPLAINTS BY THE BROKERS OF THE POWER OF THE PRESS—THE COMPROMISE OF CLAIMS BY FOREIGN STATES—THE CITY ARTICLE FIRST COMMENCED—ROTHSCHILD'S EXPRESSES—THE COMPANIES OF THE BUBBLE PERIOD OF 1825-26—NORTH AND SOUTH AMERICAN VISITORS—THE HEBREW AND THE YANKEE—THE SUPERINTENDENT OF THE SUBSCRIPTION ROOM—MODE OF INQUIRIES.

NEXT in importance to Lloyd's, for the general information afforded to the public, is certainly the North and South American Coffee House, situated in Threadneedle Street, fronting the thoroughfare leading to the south entrance of the Royal Exchange. This establishment is the complete centre for American intelligence. There is in this, as well as in the whole of the leading city coffee houses, a subscription room, devoted to the use of merchants and others frequenting the house, who, by paying an annual sum, we believe in this case about

3l. 3s. or *4l. 4s.*, have the right of attendance to read the general news of the day, and make reference to the various files of papers, which are from every quarter of the globe. It is here, also, that the first information can be obtained of the arrival and departure of the fleet of steamers, packets, and traders engaged in the commerce of America, whether in relation to the minor ports of Montreal and Quebec, or the larger ones of Boston, Halifax, and New York.

The house has long been celebrated for this description of intelligence; and before the rapid voyages now made across the Atlantic, which have brought the two countries into much greater intercourse, and established facilities not then known, the entire of the London press were under great obligations to Mr. Davis for the readiness with which he invariably supplied them with the journals arriving by each late packet. Of course, there was a proper understanding between the conductors of the several papers and that gentleman for some remuneration; and the publicity the establishment received in the announcement, that "papers five or six days later," as the case might be, "had been received at the North and South American Coffee House," was a compensation which, under other circumstances, money or favour never could have obtained. Mr. Davis, to whom great credit is really due for the perseverance and industry he displayed in making the necessary arrangements with the American press for the regular transmission of their journals, was the first to raise the character of the establishment; and although he had to struggle with difficulties,

his arduous exertions to carry out his plans in this respect were rewarded by seeing them in full operation before his death.

It was no uncommon thing, at the period alluded to, now about nine or ten years ago, for the waiters in the house, who were about as proficient in the business as their master, to remain up all night in expectation of the arrival of the packet, so that when the despatches came to hand, they might be immediately forwarded to their respective destinations. When the packet did arrive, and when the papers were received—if at one, two, or three o'clock in the morning, it made no difference—a messenger was sent, as fast as his legs could carry him, to the round of the newspapers, with a fair and equal supply of the issues of the transatlantic journals, to make what use of them they thought proper. It was by these means that the public, at their breakfast-tables the following morning, found themselves in possession of the latest and most authentic account of the state of affairs, both political and commercial, in the United States.

The lapse of a few years, however, has made great alteration in the medium of communication with foreign countries, and in the service which these establishments were formerly able to afford the press. The increased facilities of communication, and the growing importance of one country to the other, soon led to the establishment of regular correspondents both in England and America, which, with the spirit of rivalry between journals for the best and most exclusive intelligence, encouraged

the feeling that now prevails to secure agents for superintending the passage of each particular news. Thus these establishments, as far as the general press are concerned, have failed to continue in being of such utility as they formerly were; though to the public, and the particular class of frequenters, they remain of the same importance as ever.

The receipt of the President's Message, which, as many of our readers are probably aware, is the great state manifesto of the American government, published once a year, was an event that was always looked to, when the contribution of news by the North and South American Coffee House to the daily papers was in its zenith, with much interest by the proprietor. The whole energies of the establishment, for a few days prior to its expected arrival, seemed entirely engaged in this one affair. The Message has arrived, for years in succession, on the Christmas eve; and so sure do the waiters consider its receipt, that the answer to inquiries of the expected return of the captain who brings it, is, generally, "No doubt he will take his pudding in England on Christmas day." Hence the anxiety always displayed for the safe receipt of the Message, and the desire to put it before the public on the Christmas day. This may, in fact, be said to have been the great "card" of the year during the long period when the supplies of information were received by the press from the North and South American Coffee House; and if this could only be accomplished, there seemed less care for the other news afforded, however important it might have

been. Up to the present time, the Message is expected by the merchants on the Christmas day, either in the American files of the arrival, or in the London papers of that morning.

Much exertion and much expense must have been employed to bring together the mass of intelligence regularly received at this house, which, whether regarded in the light of immediate utility to the parties who are subscribers, or of subsequent reference for others who may succeed them, exhibits method and arrangement not any where else excelled. When it is considered, that at least three or four hundred files of papers are here at the disposal of the reader, who may turn from America to the East or West Indies, thence to Australia, the Havanna, France, Germany, Holland, Russia, Spain, and Portugal, and consult the leading journals published in those countries; and watch, in all these sources, if it suit his interest, the progress of business: no one can complain of the want of field of research opened to the merchant, or whoever may wish to make himself acquainted with the various political and commercial relations of the respective governments.

In this respect,—affording a complete circuit of information necessary for mercantile life,—the North and South American Coffee House will scarcely yield the palm to any place of public business resort—not even, we should say, to Lloyd's, though in point of influence and antiquity, the latter most decidedly has the preference.

Besides these ready means of foreign and colonial intelligence, the subscribers' rooms are furnished with a

well assorted supply of provincial papers, which, with the exception of Lloyd's, and Deacon's Coffee House, (the last named, an establishment almost exclusively devoted, like the Chapter and Peel's, towards the West, to the receipt of such papers, where they are filed, and special charges made, varying according to the estimated value of the search,) are not to be found in any other house in the city. It will therefore be seen that the North and South American Coffee House has assumed the character of a general news emporium, and, unlike the Jerusalem, the Baltic, and the Jamaica, has departed from the rules which seem to guide these establishments in the regulation of their proceedings, by closely confining themselves to the particular interest with which their names are identified, and keeping connexion only with that interest, and catering for its support.

The room the subscribers occupy, has a separate entrance to that which is common to the frequenters of the eating and drinking departments of the house, and is most comfortably and neatly kept, being well, and in some degree elegantly, furnished. The heads of the chief American and Continental firms are on the subscription list; and the representatives of Barings', Rothschilds', and the other large establishments, celebrated for their wealth, and extensive mercantile operations, attend the room as regularly as 'Change, to see and hear what is going on, and gossip over points of business. There are also other merchants, connected with different parts of the world, American captains, and a few who use the place occasionally to arrange their speculations in the

LIBRARY OF THE

funds, from its contiguity to the Stock Exchange, and the stock brokers' offices.

Another class of persons who make the North and South American Coffee House their head quarters, not only for intelligence, but also as a daily residence, and thus attract around a vast and useful circle of acquaintance, are what are usually termed the "City Correspondents" of the morning and evening press.

These are the parties who furnish the important article appearing in the papers of the fluctuations and transactions in the stock markets, accompanied with remarks on the aspect of business affairs, and extracts of news, which they may consider of interest to the commercial public. The service they have done the country in connexion with foreign loan transactions, and other subjects which legitimately come within the scope of their pen, has been admitted both in and out of the legislature. They do not confine themselves to the North and South American for the news they give their readers, but visit the other establishments in the city, for the purpose of making their selections, as the arrival of vessels may bring intelligence. They are generally men of sound education, possessing a knowledge of two or three modern languages, which is found exceedingly useful in the examination of the Continental, and other papers, that come under their notice.

Two or three of the "City article" writers have separate offices, paid for by the proprietors of the journals with which they are connected, and here their friends visit them and communicate what news or infor-

mation they may wish to impart; and under such circumstances these gentlemen merely visit the Coffee Houses for the material they desire to collect.

The great thing the City article writers, or "Correspondents," as they designate themselves, have to guard against, is the admission of spurious or exaggerated information, which some of the more daring and adventurous of the speculators will endeavour to palm upon them, to serve their own course of dealing, whether in the funds, railway shares, or produce. In very few cases have such attempts been known to succeed, and then only when the communications have been made in a manner to baffle the vigilance of the experienced eye under whose examination they have passed.

To give a small sample of the worth of these contributions to the press, and through the press to the public at large, we may mention the discovery of the Exchequer fraud by the *Times*, and the powerful arguments used by the whole of the papers, especially the *Herald*, *Chronicle*, *Post*, and *Advertiser*, on the subject of the long-neglected claims of the bondholders of Spain, Portugal, Chili, and Mexico, and the successful result of the disquisitions so published. Without the assistance of the daily press, the enormous amount of wealth, out of which the English public have been, in many instances, no better than swindled, would have been suffered to improve and support foreign nations in luxury and idleness, without the least chance of receiving a moderate rate of interest for their principal. As it is, it must be confessed that the return they gain, even from the most

honourable of these foreign states, is much below the amount properly belonging to them.

Much credit is due to the laborious exertions of the Committees who conducted the investigation of the claims of the bondholders; but these would have been of little utility had not the power of the press been cheerfully given in the cause, to the no small annoyance of many of the agents and contractors, who have much desired to see the matter slumber and sleep, unassisted by so mighty an influence. The public are already aware of the triumph achieved by the *Times* newspaper in the annihilation of the United States Bank, and the subsequent exposure of the formidable gang of forgers associated in the celebrated Bogle case. The discovery of the Exchequer-bill fraud, and consequent arrest and punishment of the chief delinquent, was the next great feature of the services of that journal to the general community.

The *Post* and the *Herald*, the city correspondence of which papers has, for years, been conducted with great care and talent, made themselves particularly conspicuous in their advocacy of the rights of the Peninsular Bond-holders; and were it not for the aid which Mr. Richard Thornton and Mr. Joseph Tasker, two of the champions in the cause, received from those journals, the success that attended their long-continued endeavours to get partial payment of interest on those securities, would, to this moment, perhaps, have remained unsuccessful. In fact, the governments interested, felt the effect of the strong influence of the press on the question

—for it became very apparent that business was fast declining in the foreign stock market, and no description was touched by the public save those that were known to pay dividends punctually. No stronger evidence can be afforded of this than the circumstance of the dealings of the day, in the speculative securities, being reduced from about one hundred or one hundred and fifty bargains to less than one dozen. The brokers, at the time, complained of the miserable state of business;—they said the press had ruined the market; and were loud in their complaints against the prejudices, as they chose to call them, of the daily papers.

But as the medicine operated, so the disease began to disappear. Portugal proposed to come to an arrangement; Chili followed; Spain converted a portion of her overdue coupons into a 3 per cent. stock; terms were offered to the Treasury bondholders; and Mexico appeared in the midst with a compromise to settle a portion of her debt. Thus was the power of the press developed in all its fulness. It testifies much for the benefit derived from this interference by the bondholders, that a special vote of thanks was passed to the whole of the daily papers, at one of the meetings held at the London Tavern, when the subject of the debt of Spain was discussed.

With the compromises and arrangements effected, the business of the market has improved; but so great is the distaste to speculating in or purchasing the doubtful securities, since the exposure made of their state of credit, that the old manœuvres for getting up a mania in

them, to fleece the unwary, has for the last few years, though often attempted, always most completely failed.

The description of matter comprised in City articles has not been known in its present form more than thirty years. There seems a doubt whether they first originated with the *Times* or the *Herald*. Opinion is by some parties given in favour of the last mentioned paper. Whichever establishment may be entitled to the praise for commencing so useful a compendium of city news, one thing appears very certain, viz., that no sooner was it adopted by the one paper than the other followed closely in the line chalked out. The regular City article appears only to have had existence since 1824-25, when the first effect of that over-speculating period was felt in the insolvency of public companies and the breakage of banks. Contributions of the description had been made and published in separate paragraphs throughout the papers as early as 1811 and 1812, but these took no very prominent position till the more important period of the close of the war and the declaration of peace with Europe.

During this time of excitement, the watch necessarily kept for the slightest scrap of intelligence respecting the progress of affairs on the Continent, organized, in a manner, the materials since found so well adapted for perfecting the description of article alluded to. In those days, when a few French papers were considered invaluable for the news they were likely to contain, and when the best expresses of Rothschild were smuggled over in fishing-

boats, it required more than ordinary perseverance and diligence to be on the alert to scent out the sources from whence such intelligence might be secured; and though in those days the labours of the parties employed did not come before the public in the shape of lengthy contributions, they were, nevertheless, exceedingly useful and important in forming that nucleus, or basis of connexion, from which has sprung, and which continues to support, the progressive improvement of later years.

In 1809 and 1810 the papers had commenced regularly to publish the prices of Consols and the other securities then in the market, but the list was merely furnished by a stock broker, who was allowed, as a privilege for his services, to append his name and address, thereby receiving the advantage of an advertisement without having to pay for it. A further improvement was then effected by inserting small paragraphs, giving an outline of events occurring in relation to city matters, but these occupied no acknowledged position, and only existed as ordinary intelligence. However, from 1810 up to 1817 considerable changes took place in the arrangements of the several daily journals; and a new era almost commenced in City life with the numerous companies started on the joint stock principle at the more advanced period; and then it was that this department appears to have received serious attention from the heads of the leading journals.

It was seen that the wild rage for speculation would, when the panic came, swallow up many who had engaged in it, and warnings were repeatedly given in the remarks of

the Editors to beware of the crash before it arrived. These observations then gave place to the City article, where the subject was discussed in all due formality, and where, when the stoppage of banks and the failure of firms commenced, was a record of the particulars that could be gathered from converse on 'Change or at the Coffee Houses.

By continuing this description of contribution, and by sparing few of the failing houses from the merited odium of their proceedings, it was discovered that a new power had erected itself, through the medium of the press, over the commerce of the country, and such was its influence that many feared to come in contact with it. On 'Change and at the Coffee Houses the greatest dismay was apparent; for through this channel the roguery and tricks of designing speculators were held up to public contempt, and a ready explanation given of the success or failure of bubble companies.

The fearless exposure of anything like fraud or foul dealing gave scope for the display of reason and judgment which, before long, stamped the individuals who then preeminently occupied that position, as being persons who were well qualified to fill the important post confided to their care.

The list of Companies published in the year 1825-26, showed a most fearful amount of plunder and sacrifice. Every description of association was included; the list went from the sublime to the ridiculous, numbering at least from two hundred to three hundred projects, which, from proposing the extension of the laudable

principle of life assurance, descended to a Patent Washing company, suggested to be established at the Isle of Dogs.

Since the panic of 1825-26 the City article has progressed and advanced in favour, being a complete guide to the money and commercial business of the metropolis. If any of our readers could get an introduction to the subscription room of the North and South American, they would find, about a quarter-past four in the afternoon, when the evening journals come out, two or three knots of gossippers, which would surely include two or three of the individuals who have the weight and burden of this duty on their shoulders. At a later hour, and after the bustle and heat of the day were over, they would find, quietly seated at one of the side tables, a person very deeply engaged in writing upon small slips of paper, which they might consider an absurd employment, were they not informed that such is the *modus operandi* of the City article collater, who about that hour furnishes his matter, with the latest quotations of stocks and railway shares, and is preparing it for despatch to the printing office of his journal.

These persons have numerous sources of information which never fail to provide them with material to instruct or inform the public on some topic of interest, throughout the three hundred and twelve days of the year. The whole of the time of the individual who devotes himself to this duty is required for his work; and though, even from the highest to the lowest of the class, the remuneration is good, it nevertheless must be confessed small in

comparison with the wealth of the circles in which they move.

The attendance of the City article writer may be said to be from 11 A.M. till about 7 P.M.; and therefore if he secures one hour's indulgence after the merchant or broker, in his arrival at business, he compensates for it by a postponed departure, as it seldom or ever occurs that he actually commences his labour till after they leave. He is mostly occupied in the early part of the day with getting up his information, and watching the fluctuation of the funds; and at the close of 'Change it is that his work really begins in earnest. This is the case, so far as regards the writers for the morning papers.

The writers for the evening papers have less to occupy their time and attention. They are expected to furnish little else beside the business of the morning in the Stocks, and the pith of the news by any interesting arrival. It would be impossible for them to give that detail of intelligence which is found in the morning papers, as they have not the time to make the required arrangements, the letters by the post very frequently not being delivered till half-past ten or eleven A.M., and they themselves being obliged to forward their copy at one or two P.M. at the latest. In all justice to them it must, at the same time, be stated, that what they attempt they do well, and in many instances anticipate their morning cotemporaries in the essence of their "made-dish." In most circles the City article is read with great interest; and although occasionally the views of interested parties may differ on the subjects therein discussed, it is always

admitted to be one of the best and leading features in the press of the present day.

Returning to the nature of business at the North and South American Coffee House, connected with the more numerous class of subscribers, it may be said to be closely identified with the interests of the United States. In 1841-42, when the question of war between England and America was a topic of grave discussion, among parties connected with the trade of the two countries, this was the grand place of resort for ascertaining the opinions of the papers on the subject, and talking with the passengers by the latest steamers. Before now, very long and warm arguments have ensued between particular parties, and one which we recollect, having been present at the conversation, may not be inappropriately introduced in illustration of the feeling which at that time ran high on the question.

The persons who edified the room with the following colloquy were a respectable Hebrew merchant, and a roughly imported scion of the States, who, having just left his na*tive* soil, felt himself *particularly* privileged to give his *idea* of the condition of affairs in the great country. The Hebrew in some dealings had lost money by the failure of the United States Bank, and, in consequence, entertained no great respect for the people who had encouraged the growth of so monstrous a bubble as this establishment proved to be.

The Yankee, who, in the course of conversation, discovered the *pique* of the Hebrew against America, at once turned the debate to the subject of the war, and

striding up and down the subscription room with his hat smartly cocked, and his hands thrust in the tail pockets of his rifle green bright-buttoned coat, said—

"I should, by all the powers on *airth*, like to see Old Hickory give the Englishers a licking—they desarve it; that they do mightily."

"But you know you cannot. Where are your forces, your steamers, all your requisites for such a war?" replied the Hebrew.

"*Réqui*sites, did you say?" and the Yankee is again striding up and down the room. "Why our militia would be enough to scatter like a whirlwind all the reg'lars you could bring into our country."

"Oh!" said the Hebrew, "we should only have to blockade New York, and place a few steamers at the mouth of the St. Lawrence; turn up the Southern States against the Northern; and then you'd see where you'd be."—This was delivered with an air of immense satisfaction.

"I guess I should," sharply rejoined the American; and then apparently coolly reflecting for a moment, he turned to the Englisher with a steady eye, and said—"But you've got to do it fust—talk of what you'd do—you may," and, raising his arm, "but it won't alarm we—oh, no. I've seen your Wool*wich*, your Green*wich*, your Ports*mouth*, but you carn't, with all your arsenals, beat us. Have you ever seen our Springfield?"

The Hebrew confessed his ignorance of the spot.

"Then, till you *have*," said the Yankee, "and *observed* our gun manufactories there and a'teen the

Alleghany mountains, never pretend to give an opinion on our capabilities. Just also look at our seaboard, and see how we stand there. I guess you'd find your mistake, stranger; and, therefore, while we're cool let's discontinue the discourse."

The Yankee in fact did seem to be "all over hot" on the subject; and though the conversation was conducted with great complaisance, both of the parties were of such an excitable temperament, that an unpleasant *denoucment* might have taken place had not the discussion dropped, as suggested.

This is merely one of the incidents that very often occur in these places, which, while full of the activity and bustle of business life, afford scenes that carry along with them amusement for the moment.

Lengthened servitude and strict attention to their duties have made the superintendents of the subscription room at this house very useful to its frequenters, not only in the way of selecting the various files required for reference, but also in giving them a bird's eye view of the news of the day.

If you pay your visit at 10 o'clock A.M., and enter the room, the first inquiry generally is,—"Well, Mansfield, what's in?"—(meaning thereby, what vessels have arrived.)

The answer, as the case may be, "Nothing, sir, to-day. There's a vessel from the States, and another from Rio de Janeiro, but they are not so late as the last arrivals. We have a report that the *Hibernia* is off Liverpool; if so, we shall have the letters by the two o'clock delivery."

If there should be an arrival from one or more

quarters, the answers to any questions that may be put are such as these :

" The West India mail is in, sir. The crops appear good. They've had bad weather at Jamaica, and a bad fire at Barbadoes. The packet brings a good remittance for the Mexican dividend, but the official account is not yet out."

" What's from the States, Mills ?"

" They talk of Pennsylvania resuming next half year, sir. The *New York Herald* has a long account about it. Exchange is rising 109¼. The accounts of the crops in the South are favourable for our market. No quotation for United States Bank shares. Ohio sixes are up two per cent. Little movement in anything else."

Thus you are at once furnished with the cream of the intelligence of the morning; and when you go to take your seat at your table, you find others following into the room to continue the inquiries you have in the first instance made.

Go again after 'Change, when the evening papers come out, and you see the same faces, all eagerly engaged in devouring the news, or conversing in small companies.

Ask your friend, the superintendent, "Anything fresh, Mansfield ?"

" Nothing particular, sir. The report of the defeat of the French ministry is confirmed by the *Standard* to-night, sir. The *Globe* and *Sun* mention the subject in their leaders. Consols are in consequence flat. The market opened well this morning."

And in this manner is the round of the business of the house conducted, and its patronage secured.

CHAPTER VIII.

THE JERUSALEM COFFEE-HOUSE—THE MANAGER'S SYSTEM OF MANAGEMENT —SPECIAL INTERESTS ATTENDED TO—THE EAST INDIA MERCHANTS AND AUSTRALIAN—THE INDIA MAIL—CLASS OF VISITORS—LIEUT. WAGHORN AND HIS AGENCY—WAGHORN AND THE PACHA OF EGYPT—THE PALMERSTONIAN CONFLICT—WAGHORN'S TRAVELS—HIS REWARD FOR SERVICES—TAWELL AT THE JERUSALEM COFFEE-HOUSE—THE EAST INDIA AND CHINA ASSOCIATION—THE JAMAICA COFFEE-HOUSE—ITS CHARACTER AND FREQUENTERS—THE BALTIC COFFEE-HOUSE—SPECULATIONS IN TALLOW—RUSSIAN MONOPOLY DECREASED BY SUPPLIES FROM BUENOS AYRES AND SYDNEY—DECREASE OF SPECULATION IN THE ARTICLE—MR. RICHARD THORNTON, AND HIS DEALINGS IN TALLOW—MR. THORNTON A GENERAL SPECULATOR—SALES OF TALLOW, OIL, ETC.—THE HALL OF COMMERCE—MR. EDWARD MOXHAY'S ALLEGED MOTIVE OF CONSTRUCTION—THE OPENING—ITS CHARACTER—ROOMS AND THEIR PURPOSES—THE CAREER OF MR. MOXHAY—THE "SHOE-MAKING BAKER."

THE place where the merchants and captains connected with the commerce of the East assemble, is the Jerusalem Coffee-house, Cowper's-court, Cornhill. It is one of the oldest of the City news-rooms in existence; and, despite the captivations of modern attractions offered in other establishments, appears to hold a very steady course without much fear of interruption.

The leading proprietor, Mr. Horatio Hardy, and his managing man, Mr. Miller, are two of the old school, who have no affection, seemingly, for the new-fangled notions of the day, which would lead to expense without

increase of comfort; and, consequently, cherish those solid notions of convenience and accommodation with which their room abounds.

The Jerusalem Coffee-house is exclusively devoted to the interests of the merchants and others engaged in the trade of China, India, and Australia; and whenever information is required respecting any of these places, or of vessels voyaging to or from, or between them, application is only to be made at the bar of the subscription-room, and the most ready and obliging answers are returned. This apartment is well furnished with files of the principal Canton, Hong Kong, Macao, Penang, Singapore, Calcutta, Bombay, Madras, Sydney, Hobart Town, Launceston, Adelaide, and Port Phillip papers, and prices current, besides shipping-lists and papers from the various intermediate stations, or ports touched at, such as St. Helena, the Cape of Good Hope, &c. In this respect, no other house in the City can lay before an inquirer so abundant a mass of Eastern news as is here available. The terms of entrance are, as in the other Coffee-houses, a certain sum per annum; and subscribers possess the advantages of having their letters addressed to them in care of the proprietor, which saves them, in many instances, the trouble and expense of counting-houses.

Exclusively devoted to the affairs of the East, there are few of the general class of City people found in this room, the frequenters being either closely identified with India and China, or the Australian colonies. The books of East India shipping, including arrivals, departures,

casualties, and all the minutiæ, which in their particular department are kept with all the accuracy distinguishing the universal record of Lloyd's, afford a ready reference to any information that may be sought by the public; and as the eyes of the first merchants and captains in the trade are daily running over them for consultation, it may be premised that they are a true index, or else they would not have been so long relied on.

Between the hours of two and three o'clock P.M., the Jerusalem Coffee-house can be seen in its full activity of business. The merchants have, about this time, left their counting-houses, and called in to see "how things are stirring," and meet captains or others whom they may wish to see before going on 'Change or leaving the City. If you have the opportunity of going to the "bar" of the room about these hours, you will find engaged, in close conversation, upwards of from one hundred and fifty to two hundred persons, all of whom are transacting important business, and who, most assuredly, have the chief of the commerce of the East in their own hands.

The accelerated passage of the mail to India by the overland route, which is inseparably allied with the interests of this house, makes it a place of much bustle twice a-month, the periods being the arrival of the bi-monthly mail. On these occasions there is a large attendance of merchants and others, who, having considerable properties in the Presidencies, never fail then, if at other times, to make their appearance and read the papers for themselves.

In 1842 and 1843, the painful period of the loss of our troops in India by the war in the Upper Provinces, investigations of the kind were not wholly confined to the mercantile classes; and although the daily press was teeming with the fullest accounts that could be given of the dreadful slaughters that took place, many were the applications from high and influential parties, unconnected with City business, for liberty to search the files of the Jerusalem for information, which they there hoped to find, when not discoverable through other channels. During the whole of the progress of the war with China, the Jerusalem was the resort of the great tea-brokers, who were on the look-out for information; and though many of these are regular subscribers, others thought it worth their while to secure the privilege of ingress and egress, if only for the time that the speculation in the article was going forward.

The chief subscribers to the Jerusalem, are the East India and Sydney merchants, and the captains, with some few of the highest brokers connected with the produce markets, the latter of whom desire the earliest information of the arrival of vessels with cargoes likely to pass through their hands at public auction. The wealth of the parties who meet here together, including, as it does, our first ship-owners and builders, and Government contractors, must be immense.

But before going further with a description of this place, one person frequenting it deserves to be especially noticed, and that is the indefatigable gentleman, Lieut. Waghorn, by whose exertions and plans the over-

land route was first adopted. He has now started an Agency for the conveyance of parcels overland, and is in some small degree benefiting by the undertaking, since he is well supported by the majority of the merchants, who, knowing they can rely on his punctuality, patronize him in preference to numerous other firms who are following the same description of business.

Lieutenant Waghorn is rather an eccentric man, and though excitable, is undoubtedly a honest British seaman. A story is current in the city that "Tom Waghorn," as he is familiarly called, can do nothing without the Pacha of Egypt, and the Pacha of Egypt nothing without him. This statement, it is commonly understood, originates from the strong friendship existing between these two great men. Waghorn is said to be Mehemet Ali's *fides Achates*, and every reason exists for believing, that the influence the one possesses over the other has done much to ensure the safety, and facilitate the passage of the mail across the desert.

It will be recollected that, at the time of the war in Egypt, Mr. Waghorn took up the cudgels in one of the evening papers in favour of the Pacha, and was replied to (as Mr. Waghorn will always have it) by Lord Palmerston in the *Globe*. Mr. Waghorn vigorously defended the Pacha against (as he imagines) the assaults of the ex-Minister of Foreign Affairs, and to this day he takes no little credit to himself for so thoroughly vanquishing (as he thinks) his mighty opponent. The project of a railway across the desert, and a variety of the local improvements in Egypt, are by many of Mr. Waghorn's

friends attributed to his influence with the Pacha; and such a distinction, if only earned by a tithe of what he is supposed to have done, must afford such an ambitious man, as Mr. Waghorn really is, some reason for self-congratulation.

The rapidity of Mr. Waghorn's movements is a great feature in his bustling character. You meet him one day at the Jerusalem; and the next, or the day after, you see him announced as arrived in Paris, on his way to Marseilles—of course *en route* for Egypt. You are perhaps in a day or two afterwards surprised to find rushing up Cornhill, or down Birchin Lane, the individual who, you would have thought, could scarcely have reached Alexandria; and when you say, "Ah! what! back again—why you've never seen the Pacha?" he laughs, and replies, "Yes I have though—when we travel we don't do things by halves."

It was not many months ago that Mr. Waghorn was off on one of these flying visits, and he then reached as far as Bombay. On his return he was asked how he liked the appearance of affairs there. He replied, "Not at all—no improvements going on there as in other parts of the world—the Parsees, the Jews of that place, are eating up all before them." This eccentric individual is about fifty years of age; he is, we should say, five feet six, with a robust constitution and intelligent countenance, the latter much tanned by his frequent voyages to, and excursions in, Asiatic countries. He is a regular attendant at the Jerusalem when he is in town, and has large connexions with many of the first merchants

in the city. The only remuneration Mr. Waghorn is understood ever to have received from government for the interest he exhibited in promoting and directing the route of the overland mail, was the concession of the title of "Lieut. R.N.," for which he sought several years before it was allowed. The merchants, in the year 1839-40, however, very handsomely subscribed a considerable sum, and presented it to Mr. Waghorn, to enable him to push his agency, both at home and in India, which then required more capital than he could readily command. Since that date, although competition has made a dead set against him, he has gone on pretty successfully, and so continues up to the present time.

Within the last two months the merchants have commenced a subscription for a testimonial to Mr. Waghorn, which promises to be liberally supported.

The Jerusalem Coffee House numbers between three and four hundred subscribers, who, reckoning among them the first of the traders connected with India and Australia, must return a good revenue to the proprietors, all of whom, however, do not take an active part in the business, but leave the management to Mr. Hardy, and his great factotum, Mr. Miller.

The arrest of the murderer, John Tawell, at this house, which he was in the habit of visiting, to ascertain information of the state of his property in Sydney, is one of the latest events bringing this establishment into public notice. Tawell was very little associated with at the Jerusalem, for, in addition to being of rather reserved disposition, he was known to be a returned transport; and

this, though he was reported to have amassed considerable wealth, both during and after his period of emancipation, was sufficient to make the subscribers generally fight shy of him. He attended the room about twice a week, and almost invariably sat in one of the corner boxes, on the left-hand side of the sandwich-bar, where he usually indulged in a cup of coffee and toast. He was a man of mean and uninteresting appearance, with a slight cast in one of his eyes. The evidence of Randall, the waiter at the sandwich-bar, who deposed to Tawell leaving the Jerusalem to go, as he stated, to dine at the West-end, and to his subsequent return late in the evening, made one of the important links in the general chain adduced against him at the trial.

The Jerusalem, and the North and South American Coffee Houses, being situated, one on the right, and the other on the left, of the Royal Exchange and Lloyd's, brings the great focus of mercantile transactions within a limited space, and makes them most convenient for the merchants and underwriters. The East India and China Association have their offices in the upper part of the Jerusalem premises. This is a society which, as may be imagined from its title, is identified with the interests of the visitors of the Coffee-room. Its affairs, which are wholly directed to the investigation of trading concerns between this country and the East, are most skilfully conducted by Mr. Stikeman, the Secretary. The members of this society took a very active part in the late unsuccessful representation to government on the subject of the tea duties.

The other Coffee Houses to be noticed are the Jamaica and the Baltic, each representing a different interest. Another existed prior to the destruction of the old Royal Exchange, called John's, and the Mediterranean; but when the fire occurred the premises were burnt, and as it was not a very prosperous concern, no attempt was made to restore it. The subscription-room in this house was small, and the principal frequenters were a few of the Gibraltar merchants, and persons connected with the fruit trade; but, as it bore no high position for intelligence, the place was not known to many.

Tom's Coffee House, always celebrated for its "punch," though not making the prominent appearance as formerly, with its old green blinds on brass rollers; behind which, when the frontage was in Cornhill, many parties of the citizen-merchants of London could be seen enjoying their bowl of the cheering mixture, and their quiet cigar, after the fatigues of 'Change, or a dinner at Baker's, still attracts a very nice custom in its retired nook, near the Jerusalem. The business now carried on in this house is more connected with eating and drinking than mercantile affairs; but yet there may occasionally be found in the luncheon-room two or three of the old brokers, who, from former associations, make this their resort in preference to the other establishments already noticed.

The Jamaica Coffee House is to the West India trade what the Jerusalem Coffee House is to the East India trade. The proprietors and managers of the Jamaica Coffee House pride themselves upon the accuracy and full extent of their West India intelligence

quite as much as the Jerusalem people pride themselves upon the accuracy and full extent of their East India intelligence. These two establishments may be said to afford a fair specimen of the attention that is paid in houses of this description, to secure an independent footing by supporting a particular interest. The Jamaica Coffee House is situated in St. Michael's Cornhill, and the number of subscribers varies from two hundred and fifty to three hundred and fifty, the parties being the merchants engaged in commerce with Madeira and the West Indies, who assemble together for business purposes before going to their several counting-houses in the morning, or after leaving 'Change in the afternoon. The subscription-room in this establishment is exceedingly commodious; and the supply of papers and shipping-lists published in the localities it represents, is numerous and well-selected. It is the best place, above all others, to ascertain any information relative to the mail packets on the West India station, or the merchant-vessels making these voyages. There is in this, as well as in the other rooms of the same description in the city, a sandwich-bar; so that refreshment, in the shape of tea and coffee, sandwiches, and wines and liquors, is often combined with business pursuits.

The Baltic Coffee House in Threadneedle Street is the *rendezvous* of the merchants and brokers connected with the Russian trade, or, more plainly speaking, that conducted in tallow, oil, hemp, and seeds. It is an establishment of considerable notoriety, from the large speculations which have at different periods been carried on

among the subscribers, who, representing the trade in so important an article as tallow, have followed, under a certain position of affairs, that course of dealing that, like transactions on the Stock Exchange, frequently terminated in the ruin of the parties concerned.

The Baltic is a very snug little place, managed by the proprietor, Mr. Monger (formerly a favourite waiter with the majority of the subscribers), under the superintendance of a committee of management, in a highly creditable manner. The supply of news to this room is, with the exception of the chief of the London, Liverpool, and Hull papers, confined to that from the North of Europe, and the tallow-producing countries on the South American coast, which gives the visitors the intelligence they require to conduct operations.

The speculations some few years ago conducted in tallow, and which brought, when they exploded, much loss to the unfortunates who happened not to be in the secret of the proper time to sell, are not very likely to be again renewed to any great extent. The Russians, who were the great movers of these schemes, were chary in giving too large a supply to the English market, and being in the habit of keeping to themselves the true state of stock at home, were enabled to play with the London dealers just as they pleased, because from St. Petersburgh came nearly the whole of what was imported. That, however, is not now the case: the increasing quantity brought yearly from Buenos Ayres, and Monte Video, and the new source of supply derived from the successful manufacture of the staple in Sydney, has quite changed

the aspect of business in tallow. Stocks regularly coming forward from St. Petersburgh, aided by the South American and Australian imports, the market is kept in a proper condition, with a fair equilibrium in prices; and, hence, less chance than ever is presented for our Northern friends to take advantage of our extended use of the article, which originally they almost exclusively supplied.

It has certainly been a fortunate thing that the excess of agricultural stock, both in South America and Australia, has had the effect of turning the attention of parties there to the manufacture, and of causing competition, to the benefit of our own country. South American tallow has all along maintained a fair and remunerating price in the market, and though, perhaps, not equal in point of quality to P. Y. C. (Petersburgh yellow candle, —one of the technicalities of the trade,) still it is found useful by the chandlers; while recent imports of Sydney tallow promise to become a strong rival, late sales having brought high rates.

Large sums of money have been made and lost in the article, but anterior to the date of the import of foreign and colonial tallow. A few years ago, the three or four failures that then took place gave, apparently, the finishing stroke to extended speculation; and, notwithstanding the amount of money involved was little less than 300,000*l.* or 400,000*l.*, it was found that the business had been transacted on such an unstable basis as to warrant great precaution in future transactions with several of the persons who figured in them. The danger that some of

the wealthy houses escaped, by the early closing of the speculation, was very evident when certain facts were disclosed; and such was their effect, that ever since, making due allowance for other causes, little or no speculation has occurred in the market.

The assertion has been made, that, until lately, there was as much gambling in tallow as in consols. This really was the case; and almost the same mode of business was applied to the one speculation as the other. Proper settling days were fixed for this article, when sales for purchase and delivery were arranged, and when the buyer, on the one hand, took the difference from the seller, if the price was in his favour, or the contrary, as events might happen to turn out, precisely the same as in the English and foreign Stock markets; and thousands and thousands of pounds have passed on these occasions, on the contracts made.

Speculation in tallow for the last few years has existed but in name. Numbers of the brokers would be found, even now, willing enough to conduct such business, provided principals intimated an inclination to enter into it. But as no such disposition is shown, they are obliged to confine themselves to what are termed transactions "on the spot," instead of "delivery;" the latter being the description of contract that would allow of a rise or fall in price, it usually embracing a period of two or three months forward, while the former is the dealing that settles the business at once, without a margin for fluctuation being given. Several of our largest city capitalists are well known to have made vast amounts of money in

these speculations in tallow, but, having transferred their favours to other channels, they are now seldom or ever seen in the market.

One of "the greatest of the great" of our city men, Mr. Richard Thornton, who, next to the Rothschilds and the Barings, stands A 1 in point of wealth and connexion with foreign countries, is said to have accumulated a considerable part of his property by his successful operations in this article. This gentleman appears to be one of the most adventurous speculators, and, though ranked as of the "old school," so great a success has attended his pursuits, that something more than mere fortune must have directed his plans, or else, in the various grades of his speculations, from the export of old clothes for the service of the Miguelite troops in Portugal, to his subsequent loan contracts, he could not have been so completely triumphant.

Mr. Thornton, who is now on the shady side of sixty, has a much younger appearance. His activity is very great; and he is as early and as punctual in his attendance at business as most of the leading city men. He is a member of Lloyd's, the North and South American, the Jerusalem, and all the other Coffee-houses of note and standing; and this is nothing extraordinary, considering that he will take "a risk" at Lloyd's for 7,000*l.* or 10,000*l.*, with a good premium, as readily as he would a few casks of tallow at the Baltic. He is a very large holder of Portuguese and Spanish Stock, which the public may suppose, by finding him generally placed in the Chair at the meetings of the Bondholders; and great

service he has done them in the advocacy of their cause, and the handsome manner in which he has placed part of his counting-house at Old Swan at their disposal for the consultations of their Committee.

Mr. Thornton is not a man of any great eloquence, his oratory being imbued with much cockneyism; but he, nevertheless, can express himself to the purpose when these subjects are brought under his notice. A notion may be formed of his means from the following anecdote. On one occasion, being questioned about the amount of Portuguese Stock he held, he replied, that it was somewhere about 400,000*l*. He said he was of course very anxious that Portugal should make a settlement of her debt, for the sake of the general class of Bondholders; but he himself was not in a hurry for the dividends, for though Portugal was in bankrupt circumstances he was not. This was stated in perfect good temper, and was, no doubt, perfectly correct. There is only one weak point about Mr. Thornton, which is, perhaps, excusable, considering the station he occupies, viz., his boast of his wealth, and his acquaintance with foreign ministers; which is always sure to creep out when he makes his appearance in public. This, accompanied with the wrong pronunciation of Spanish and Portuguese names and titles, occasionally raises a laugh at his expense. He is, however, a man of charitable disposition, and, withal, one who has done much to maintain the credit of the commerce of England. Mr. Thornton and Mr. Jeremiah Harman were two of the chief props of the Russia trade, during the years of its great activity; but the one has now

other fields of enterprise, and the other has paid the debt of nature, leaving great wealth and a good name behind him.

The Baltic Coffee House continues to attract a large attendance of subscribers; but as the business becomes of a more legitimate and quiet description, there is less excitement apparent in the room. The whole arrangements of the place show a nice taste for economy and comfort, and there is no lack of one or the other. The attendants are obliging and civil, having an eye to the Committee of Management, who are sure to take notice of any irregularity in this respect. In the upper part of the house is the public sale-room, where tallows, oils, &c. are offered at auction by the selling-brokers. It is a long narrow apartment, having no particular characteristic beyond a slight effluvia from the samples exhibited, and the dingy appearance of the place besmeared with ink from the pens of the juveniles, or clerks in attendance for principals who are not buyers, and who, from the age of twelve upwards, may be seen either marking the prices paid in their catalogues, or designing figures, after the antique, upon the deal tables appropriated to their use. The sales occupy about a couple of hours, beginning between two and three, and often not concluding till four or five o'clock P.M.

The large and massive building which has lately reared its head in Threadneedle Street is also a news-room, and is styled the Hall of Commerce. The arrangements of the interior are of the most costly and convenient description, and the exterior displays some taste and archi-

tectural beauty. Mr. Edward Moxhay, the proprietor, after whose design the Hall of Commerce was planned and executed, is a man of great commercial enterprise, well known in the metropolis for his pushing industry, and the large amount of wealth acquired by him in consequence.

It appears to have occurred to this gentleman that London ought not so long to have remained behind Liverpool and Manchester in the want of a general commercial room, where the merchants could congregate and transact their business; and this, we understand, led him to carry out the plans he himself formed on the subject.

Some people have been unkind enough to assert that the refusal of a model laid by him before the Gresham Committee of a new Royal Exchange, was the first cause prompting Mr. Moxhay to rivalry in the comparatively small establishment which he erected. This does not, however, seem to be true. At the time the Hall of Commerce was commenced, delays had taken place in the progress of the works at the Royal Exchange; and the subscribers to Lloyd's, on several occasions, had individually expressed discontent at the absence of a centre of communication such as before existed. These were matters that, coming to the cognizance of Mr. Moxhay, doubtless induced him to take up the idea. The Hall of Commerce was then proceeded with; but the purposes of the establishment, though many shrewd guesses were made, was not allowed to transpire; and all connected with the concern are stated to have been enjoined to the strictest silence relative to the ultimate use of the

building. It was finished about two years previous to the completion of the Exchange; and so great were the anticipations of success of the friends of the establishment, that it was opened with a grand banquet, to which the principal of the wealth and influence of the city were invited.

The opening having been completed, and the public admitted to view the interior, business operations were commenced; but, notwithstanding the arrangements with respect to shipping and mercantile intelligence were ample, and of good character, the subscription of 5*l.* 5*s.* per annum was considered too high, and the attendance became restricted. At the time, it was said that a large proportion of the merchants of London had registered themselves as subscribers; but the subsequent reduction made to 1*l.* 10*s.* 6*d.* per annum, would lead to the belief that, if promises were made, they were not fulfilled. At this lower rate the rooms have gained a considerable accession of visitors; and the computation roughly made is, that they amount to nearly two thousand; but of course, as in the case of the other Coffee-houses, there is not always the attendance of one-half the members throughout the day.

The chief room in the Hall of Commerce is what is usually called the Reading-room, which answers the purpose both of affording information to the subscribers, and of meeting friends on business matters. The same plan is adopted here as in the lobby of Lloyd's, viz., of calling members when they are sought by their connexions. The members of this room, who are entitled

to the other privileges of the house, principally consist of merchants, stock and share-dealers, and persons who may have commissions for the sale of manufactured goods. For the especial convenience of this last-mentioned class of subscribers, a sample-room is open, where they can exhibit their wares; but notwithstanding this may, at some future day, become essential and attractive, it does not at present promise much success.

Another large room is provided for meetings, public sales, &c., but extensive patronage has not yet been bestowed upon it. The wool-sales are held here, as also Lamond & Co's. public auction of railway-shares. Up-stairs are also a number of apartments, designed to serve the convenience of meetings of creditors, private conferences, and arbitrations; while in some two or three are fire-proof safes, for the deposit of deeds, and other securities, which the subscribers may feel inclined to put out of the reach of harm. Altogether, the Hall of Commerce has every convenience which persons, situated as the subscribers are, can require; and had it been the first place of the kind in the city, no doubt can be entertained but that it would have received a much larger share of support than it at present enjoys.

Mr. Moxhay has laid out an immense sum upon it—rumour says 70,000*l.*; and it is, therefore, to be hoped, considering the good intentions he had in view, that his subscriptions return him a satisfactory rental. The one great fault in the conception of an establishment of this description seems to have been, the want of proper consideration of the inclination of the mercantile public towards

such a project. Mr. Moxhay appears to have imagined that, by creating such a centre of attraction, he would have depopulated those separate and secluded haunts of the different interests, and brought them together in one focus. This was the mistake. The members of Lloyd's, the merchants who attend 'Change, the subscribers of the North and South American, the Jerusalem, the Jamaica, and the Baltic, never can be persuaded to leave their old resorts, where they find everything ready to their hand, for the chance of being, in one incongruous mass, served better elsewhere. The members of the North and South American, the Jerusalem, the Jamaica, and the Baltic, were already well provided in their respective establishments; and the Underwriters at Lloyd's, and the merchants, were anxiously looking forward to the completion of the Royal Exchange, with its usual apartments for business purposes. The experiment, which had for its effect the annihilation of the one, and the anticipation of the other, was hazardous; and proper reflection on the subject might have made it less dangerous in carrying out. As a building, the Hall of Commerce will always remain a monument of Mr. Moxhay's perseverance and wealth; but, we fear, it will be many years before his intentions or wishes are gratified, in respect to its universality.

The career of Mr. Moxhay, as a merchant, furnishes one of the several examples already on record of what care and steady attention will do for men who have well-directed energies, and who struggle for the fortune of the world. Originally, it is said, he was a shoemaker,

and from small beginnings was able, after some years of industry, to open a shop in Gracechurch Street. Suddenly, one Monday morning the shoemaker's-shop was turned into a biscuit-baker's, much to the annoyance of a next-door neighbour in the same line, who, it is alleged, had spurned the offer of Mr. Moxhay to pay him a good price for his business. The change prospered; and joining with the foreman of the celebrated Leman, the shoemaking-baker started in the manufacture of biscuits for shipping and export, and realized a considerable independence. The biscuit business is still carried on opposite Leman's, but the partnership is dissolved.

Having, under these circumstances, made a good income, Mr. Moxhay then entered into shipping and mercantile speculations. These also proved remunerative, and, with the further employment of his property, he has raised a substantial fortune. He holds several valuable leasehold premises in Threadneedle Street and Broad Street, which, let out as offices, pay him well as an investment. Till within the last four years he had several shares in some of our first East India merchantmen. Mr. Moxhay is, perhaps, about sixty years of age. He is an intelligent man, and devotes much of his leisure to architecture, of which subject he displays considerable knowledge.

CHAPTER IX.

GARRAWAY'S COFFEE-HOUSE—ITS BUSINESS AND APPEARANCE—THE PECULIARITIES OF ITS FREQUENTERS—SPECULATORS AT GARRAWAY'S—THE OPERATIONS IN TEA — SUTTON THE SUPERINTENDENT — THE SCORE SETTLED—THE PHYSIOLOGY OF 'CHANGE ALLEY—ITS TENANTS—PHŒBE AND THE PICTURE-DEALER — THE COFFEE-HOUSE HABITUÉ—HOURS OF ATTENDANCE IN THE CITY—MERCANTILE EMPLOYMENT—CORRESPONDING CLERKS—RATES OF REMUNERATION—THE BROKERS IN THE PRODUCE MARKETS—MINCING-LANE—TEA-BROKERS' PROFITS—THE "MONOPOLIST" BROKERS—THE BROKERS' TICKET—FRAUDULENT SPECULATION — SALES AT THE COMMERCIAL-ROOMS—SKETCH OF MR. JAMES COOK.

As a Coffee-house, and one of the oldest class, which has withstood, by the well-acquired fame of its proprietors (Messrs. Funge and Bland) the ravages of time, and the changes that economy and new generations produce, none can be compared with Garraway's. This name must be familiar with most people in and out of the city; and notwithstanding our disposition to make allowance for the want of knowledge some of our neighbours of the West-end profess in relation to men and things east of Temple-bar, it must be supposed that the noble personage who said, when asked by a merchant to pay him a visit in one of these places, that he willingly

would, if his friend could tell him where to change horses, had forgotten this establishment, which fostered so great a quantity of his dishonoured paper, when in other City coffee-houses it had gone begging at 1*s.* and 2*s.* in the pound.

Garraway's has always been famous as a sandwich and drinking-room, affording every convenience for its numerous visitors, who crowd it all hours in the day, for one purpose or another. It is, without exception, the earliest house opened, and the latest closed. From ten o'clock in the morning till nine o'clock at night there is always business doing, and that principally in the shape of sacrifice to the inner man. The pressure commences between eleven o'clock and twelve o'clock A.M., the hour that City people feel it to be time for lunch; when there is a large attendance for sandwiches, pale ale, stout, and sherry. The consumption of these articles at this house is immense, and the work of the waiters proportionate. Large trays of ham, beef, and tongue sandwiches, cut in a most substantial manner, are ranged on the bar; and the clink of glasses, with the clatter of small plates, proclaims the activity of the establishment.

Messrs. Funge and Bland, with their superintendent, Sutton, pay the most scrupulous attention to the wants of their customers; and the good things are as speedily replaced as their predecessors are removed. The sandwich business of this house must exceed that of all other similar establishments in the city. A handsome piece of roasted ribs of beef, a boiled round of ditto, a ham, and a good-sized tongue, are commonly disposed of by a day's

trade; with an equivalent quantity of wine and malt liquor, to make them palatable, and wash them down. Sutton, the sandwich-maker, is quite an adept in this department; the ease with which he mows down the quartern loaves, and the dexterity he displays in carving the meat, shows he has had no small practice in the art; and he is quite as much at home in manufacturing a "cooler," or mixing the materials for a pitcher of punch.

It is a good couple of hours' work for this waiter to cut and arrange the sandwiches before general consumption commences, and there is no limit to the ready supply, if the demand be more than ordinary. In his quiet corner, with sharp tools, Sutton can make sad havoc among the bread and meat.

Besides the fame that Garraway's has obtained for its sandwiches and wines, it must be well known as a place for the sale of estates of all descriptions. The windows are covered with bills, detailing the particulars of property to be brought to the hammer at this place, and the Auction Mart. The Sale-room is up-stairs, in the first floor: an antiquated apartment, with a small rostrum for the seller, and a few commonly-grained settles for the buyers. An introduction to it, under other circumstances than that of a sale of landed property, would scarcely induce the visitor to believe that it had ever been appropriated to such a purpose, or was calculated to attract the attention it does. In this same room the sales of drugs, mahogany, and timber are periodically held. The sales are fixed for certain hours; and are

announced by Sutton in a somewhat stentorian voice, *à la Toole;* and he receives an especial fee, it is understood, of *2s. 6d.*, according to the custom of the house, for the announcement of each sale. As many as twenty and thirty sales take place in the course of a day; but of course this is not always the case, otherwise the proprietors would soon retire.

It has been stated, but whether accurately it cannot be vouched, that the proprietorship of this house is regulated by a very satisfactory rule; viz. that when one or other of the partners die, the head waiter, or superintendent, as this functionary is sometimes termed, occupies his position and place, under terms of agreement with the survivor. At all events, if this be not precisely the fact, there is evidently some expectation of the sort entertained by the parties who have hitherto filled this post—for it generally seems that they pay close attention to their duties, and hold themselves rather above the other waiters of the room. One of the present proprietors, Mr. Bland, makes it no secret that he was formerly the superintendent, and often indulges, across the bar, in the relation of anecdotes which occurred during his probation in that character.

The evening's business at Garraway's differs from the morning's business in a very slight degree. The early part of the day being chiefly devoted to the dispensation of sandwiches and sherry, the latter is followed up by the subsequent appliances of grogs and cigars. Dinner-time having intervened, many of the merchants and brokers who may perchance stay in town, or do not reside at a

great distance, adjourn here after 'Change hours, to amuse themselves with the absorption of wine or punch. If their inclination should not tend in this direction, they can be supplied with tea and coffee, and the necessary adjuncts; and, under the influence of these less exciting stimulants, enjoy the quiet converse of their friends.

The members of the little *coterie*, in particular, who take the dark corner under the clock, have for years visited this house. They number two or three old steady merchants, a solicitor, and a gentleman who almost devotes the whole of his time and talents to philanthropic objects,—for instance, the getting up of a ball for shipwrecked mariners and their families; or the organization of a dinner for the benefit of the distressed needlewomen of the metropolis. They are a very quiet party, and enjoy the privilege of their *séance*, uninterrupted by other visitors.

Wine is consumed in goodly quantities at this house, but principally in the day time. The favourite beverage of the evening is either coffee or punch. Both these are manufactured in a superior style, and, accompanied by a choice Havannah, scent the room with their peculiar, and, to those who enjoy them, refreshing fragrance.

The "cooler," of which mention has been before incidentally made, is a parting glass, a "wind-up" of the evening, used as a settler of what may have already been taken, and is nothing more nor less than sixpennyworth of cold brandy and water. Sutton, the superintendent, is a merry dog, and when not engaged in the dishing up of tea or coffee, at the very primitive fire-

place at the end of the room, or the distribution of the other stores of the house, can make himself agreeable by telling racy tales to his customers, or carrying on a bit of fun with the fruit-women, who are allowed *entrée*, for the purpose of supplying their wants in the shape of oranges and nuts.

Garraway's, in periods of great speculation, is always the place of resort for the "late" men, or those who operate after 'Change hours. It has been found most convenient for this purpose, affording excellent opportunities for the combination of pleasure and business at the same time. In the years 1840 and 1841, when the tea-speculation may be said to have been at its height; when prices were fluctuating sixpence and eightpence per pound on the arrival of every mail; and when the rage for a venture in the article was nearly equal to the present mania for railways,—Garraway's was frequented every night by a host of the smaller fry of dealers, who concluded time bargains with each other on the same principle as those conducted in the public securities.

There was more excitement in these affairs than ever occurred on 'Change when the most important intelligence arrived; and for this simple reason, that, whereas in the one case business was conducted in sober seriousness, in the other, calculations were lost in the depth of the bottle. An indiscriminate understanding seemed to prevail among all parties, that if business were transacted it must be sealed by the circulation of the juice of the grape. Champagne and anchovy toasts were the order of the day: everybody ate and drank, and nobody appeared to

pay, yet everybody was evidently satisfied with what everybody did; and whether buyer or seller, or no buyer or seller, every one came and went as he pleased, without the least question concerning the score. That the bills for all this eating and drinking were discharged, there can be no doubt; but such was the kind of general community established, that it put one much in mind of the familiarity of a Derby-day, when people are by no means particular, and strangers as well as friends make themselves extremely welcome. This round of jollity continued for several months, and did not flag in the least, till the Mincing Lane people themselves became tired of the speculation, and the altered position of affairs in China brought the tea-market to its proper level.

To see Sutton in his "glorious moments," a visit must be paid to Garraway's between eight and nine o'clock in the evening, when the last few visitors are winding up, and leaving the room. The deep response of "Here! coming, sir!" to the cry of "William!" or "Waiter!" must be heard to be appreciated; and the manner of reckoning be experienced, to be believed. "William, what's to pay?"—"What have you had, sir?" "Small pitcher of punch."—"Small punch, 1*s.* 6*d.*, sir; punch, 1*s.* 6*d.*, sir; what else, sir?" "Cooler, William."—"Cooler, 6*d.*, sir; punch, 1*s.* 6*d.*; brandy, 6*d.*; punch and brandy, 2*s.*, sir. Cigars, sir?"—"Yes, two cigars."—"Cigars, 6*d.*; cigars, 6*d.*, sir; and punch and brandy, 2*s.* Two and six, sir; self, sir;—I beg your pardon, sir,—only two and six, sir."

You pay the two shillings and sixpence with the

small gratuity kindly intimated in the sly dropping of the word "*self;*"—and when you arrive at the familiarity which will induce Sutton to go so far with a customer, you may be supposed to have frequented Garraway's for some few years.

'Change Alley, the place in which Garraway's is situate, is one of those indescribable localities that often are passed in a ramble through the City, and excite curiosity in the mind of the stranger from the sort of maze its thoroughfares shadow forth. With something like four or five entrances, two from Lombard-street, two from Cornhill, and one from Birchin-lane, there is great danger in losing your way, either to the right or the left; for, if attracted by the windows of Knight, the print-seller, or by the wares of Phœbe Kröne, the pretty Bohemian, you may, possibly, after idling away a few minutes, find that, instead of going as you intended, through the alley, and reaching Cornhill, you have, in reality, only taken another turning which leads you into Lombard-street, from whence you started.

'Change Alley, in addition to Garraway's, boasts several other houses which afford refreshment: among these may be mentioned Baker's dining-rooms, and Tubby's shell-fish shop. Both these places are noted for their supplies either of fish or flesh, and have for years enjoyed the patronage of the City public. Knight, the print-seller, was formerly in Sweeting's-rents, and there carried on a profitable business; but since the general turn-out in that neighbourhood, occasioned by the rebuilding of the 'Change, he has taken up his quarters opposite Garraway's.

Two of the occupants of 'Change Alley, Phœbe, and the picture-dealer, seem to have a roving license of the place, and carry on their business without molestation from landlord or tax-gatherer. Phœbe, with her little box of scents, perfumes, pastils, wax, and wafers, finds many firm and stable friends in the visitors of Garraway's; and the picture-dealer picks up many a customer by the display of his *morceaux* in the Alley. A third individual, some few years ago, came into the place as a bird-fancier, bringing young owls, blackbirds, and, occasionally, a dog, for sale. He continued his post for two or three seasons, but now appears, from the leather apron and shiney cap adorning his person, to have changed his occupation for one of the berths in Garraway's wine-cellars. According to common report, little Phœbe supports an aged father and mother, who, besides bearing the pressure of poverty, have the misfortune to lose the services of her elder brother, who some while ago became insane. Her conduct and behaviour are strictly decorous; and though she may be assailed with rude remarks from a few persons, who suppose her position to be what it is not, there is much respect entertained for her in the neighbourhood.*

At most of the City coffee-houses the visitor is sure to fall in with a character more or less troublesome, according to the frequency of attendance, — and that

* Phœbe has lately fallen into luck's way; she is no longer an occupant of the Alley, but is in business in Old Broad-street, where her little shop displays the attraction of all kinds of perfumery, confectionary, and the other wares she was in the habit of selling.

character is the coffee-house *habitué*. He is usually a retired merchant, whose active business habits will not altogether allow him to leave the scene of past labours; and hence it is a standing rule with him to look in every morning at the coffee-house before he commences his day's peregrinations. Living a short distance from town, the omnibus is a great convenience; and his limited means not warranting an expenditure of more than one shilling a-day for conveyance, he makes his journey sixpence there and sixpence back. Notwithstanding he is generally parsimonious, a subscription to the coffee-house, though involving a cost of a few guineas a-year, gives him the *entrée* to his accustomed haunts, and secures him the recognition of old friends. He is always early in the morning, for the pick of the papers; he reads the debates with interest; scans the money-market to see the condition of Consols; talks politics with the avidity of an unfledged parliamentary speaker; criticises plays; and comments on the fashions. To him the income-tax is no mystery, though he endeavours to evade the payment; it was just the measure a man like Sir Robert should have devised to relieve the necessities of the Treasury; yet, nevertheless, he scarcely believes the utility of not submitting to an alteration of the Corn-laws, considering they have undergone alteration some ten or fifteen different times during the last half century. Though he does not feel severely the evil arising from a reduction of the three-and-a-half per cents, he still sympathises with the sufferers; but, then, what else was to be done under the circumstances of a favourable money-

market, and a desire to curtail the financial expenses of the country? It is no wonder to him, that Macready left England to illustrate Shakespeare in the States, after the marked discouragement the eminent tragedian experienced at home. The only surprise he expresses is of that great living actor not having before availed himself of American laurels and hard dollars. Having gained the one, he was sure to obtain the other. To him, the recent *bal poudré* was a farce,—a contemptible farce,—to see the nobility starched up with floured wigs, high-heeled shoes, brocaded coats, and hooped petticoats; and all this patronised by majesty,—was a disgrace to the intelligence of the country. Pshaw! it was humbug. That is his opinion; and he will maintain it against the world.

This is the colloquial strain of the coffee-house *habitué*. He always predicts what he knows will take place; and then, in your next *rencontre*, boasts of his astuteness and the correctness of his inferences. You listen with impatience, but he will secure a hearing by pinning you at the button-hole; for he disregards Lord Chesterfield, and cares not for his "Letters." The only relief from your enemy is a sudden and pressing call of business, which will rob you of the pleasure of his society much against your inclination. A *ruse* of this description may rid you of the torment, who will straightway make for another victim that can stand his shafts of wisdom and experience. Reader, beware of the Coffee-house *habitué*,—he is known by three qualities, which he possesses in an eminent degree,—viz. knowing every thing, giving most trouble, and spending the least.

The hours of attendance in the City do not vary in any great degree; the banker, and merchant, with his clerks, being at office by nine or half-past nine A.M., and leaving between six and seven P.M.; and the stock or produce-broker, with his clerks, being at office by ten A.M., and leaving between four and five P.M.

Under special circumstances the hours are prolonged; and, with merchants, always on Tuesdays and Fridays, which are foreign post nights, when letters are posted for the Continent as late as half-past ten and eleven o'clock P.M. Attendance till this hour is generally limited to the acting-partners in the firm, and their corresponding clerks. The duty of the latter is to advise connexions abroad of whatever their principals have to communicate, through the medium of French, German, Italian, or Spanish, as the case may be. The situation of corresponding-clerk in a merchant's counting-house is considered a responsible post, and the rate of remuneration rises from 250*l.* to 400*l.* and 500*l.* a-year. Several of the first of our merchants keep two corresponding-clerks, and the duties being divided between them, their pay is regulated by their standing.

The acquirements necessary for a place of this description is perfect command, both in reading and writing, of the majority of modern languages, and other mercantile knowledge, only, in many instances, to be obtained by a residence in the countries where the languages are spoken. The corresponding-clerk is very often a merchant, who, having been himself unfortunate in business, gladly accepts such an appointment for the future support of his family.

Many of the corresponding-clerks are also foreigners, whose acquaintance with other languages besides their own, admirably fits them for the service, they having, at the same time, the means of an insight into the mode of business in England.

The subordinate clerks, from the ledger-keeper downwards, graduate from 250*l.* to as low as 50*l.*, but mostly get preferred the longer they stay in their employer's service. The Rothschilds, the Barings, the Heaths, the Huths, and other great houses, display a spirit of liberality towards their clerks; and, from connexions made in these firms, several of them have been enabled to get into business for themselves. An establishment, paid upon the terms described, involves an expenditure for service alone of 2,000*l.* or 3,000*l.* a-year; and it has been calculated that a number of our first merchants' disbursements for salaries exceeds this sum. This will not appear extraordinary when it is recollected, that from ten to fifteen, and sometimes twenty clerks, are kept in constant employment.

Second-rate merchants put up with a much less number of hands, and do not pay the most liberal salaries. Ship-brokers, and commission-agents, are another class of people who do not give high wages; while a system is coming into vogue, among certain merchants and agents, of securing "respectable youths, that can write a good hand, and know something of accounts," on the stipulation that "they are not to receive salary for the first one or two years." This is a plan now adopted by most of the beginners on a small scale in mercantile life; but it

should not be encouraged, because it usually ends in the discharge of the party on the expiration of the term, as the employer, knowing his access to his old market, is not then willing to give adequate remuneration, however serviceable his clerk in the meanwhile may have become.

The stock and produce-brokers give fair salaries, ranging from 60*l.* and 70*l.* to 250*l.* and 300*l.* a-year. In these departments of business, clerks, who are intelligent, and have seen service for any length of time, can relieve their employers from much of the care and weight of operations they would otherwise have to bear. Hence the favourable consideration they receive at the hands of those who engage them, and the desire they almost invariably show to prove themselves deserving of notice. In a Colonial broker's house, such as Trueman and Cook's, and others, in Mincing-lane, the great extent of business transacted renders it necessary so to dispose of the clerks as to bring the routine of dealing within several sections. For instance, to one will be deputed the superintendence of the Indigo-market; to another, the Sugar-market; to another, the Coffee-market; and in this manner is effected a whole chain of business in its most complicated shape.

Brokers, who confine themselves to particular branches of trade, such as tea, tallow, coffee, sugar, or spices, never, perhaps, employ more than one or two clerks, who "sample" and "attend sales," while the principal himself takes the more important part of looking after the market, and keeping the accounts. The tea-brokers are a fair specimen of the class that confine their attention to

one article, and number several large firms. Within the last few years they have had an extensive and profitable market, the speculation during the Chinese war giving that article a run, which introduced all classes as dealers. The brokerage two or three of the firms then realized, must have amply compensated for the little business transacted since the cessation of hostilities, if it were not sufficient to make the fortunes of their chief members. The large quantities then disposed of at public sales, in addition to the private contracts effected in Mincing-lane and on 'Change, purely for speculative account, so increased their commissions, that, whereas, in times of full activity, the disposal of 400 or 500 chests was considered a good day's business, it had augmented, in the height of the fever, to 10,000 and 12,000 chests daily. A charge of *2s. 6d.* per chest, in such extensive transactions as these, may readily be supposed to have yielded a share of good fortune, which must have deposited substantial effects in the hands of their bankers. Several of the tea-brokers maintain large establishments, and a corresponding number of clerks.

The commission allowed to produce-brokers is, on the average, one-half per cent. On certain articles one per cent. is allowed; but these are few indeed. Some brokers will, for the sake of business, accept less rates of commission; but they are, in most cases, persons whose needy circumstances lead them to "undercut" their brethren, or who, having recently started in trade, hold out this attraction for the increase of their connexion.

The chief of the brokerage business in produce is

getting into the hands of one or two large houses, which is accounted for by the command of capital they enjoy. It is a question, whether the manner in which they have of late years transacted their trade, has not invested them with powers equal to our best bankers and discounters. Three of the largest produce-brokers in this metropolis maintain much of their business by the enormous advances they make merchants on their consignments. Having gained a strong reputation by the extent of their business, they can as readily get money from the Bank of England on their own bills, as any of the bankers and merchants themselves. In such a situation they are almost able to act as they think fit with their customers.

Suppose a broker of this description finds a merchant, for whom he does business, entered in the Customs Reports as the party to whom 60,000 bags of Mauritius sugar, or any other produce of considerable value, is consigned; he immediately goes to him, and inquires if he be in need of any advance. Should assistance be required, he is ready to provide the money, upon the deposit of the warrants for the goods; and while securing for his advance the rate of two-and-a-quarter, or two-and-a-half per cent., as may be the currency of Lombard-street discounts, the one-half per cent. commission for sale must follow when the goods are offered at auction. Thus the broker butters his bread on both sides, with advantage to the merchant as well as himself. And many of our merchants would sooner condescend to be served and assisted in this manner, than go into the open market to

supply their wants. It is not necessary to name the houses that transact a large proportion of their business in this manner, but that it is done, is very well ascertained. It must not, however, be supposed that anything irregular is imputed by such a course of action,—the matter is merely mentioned to illustrate the position of certain firms which possess the chief business in produce.

The produce-brokers sell their goods by auction in much the same manner as all public sales are conducted. The Commercial Sale-rooms in Mincing-lane are the great resort of these gentry, where apartments have been specially fitted up for the sales of tea, sugar, coffee, spices, and the other description of articles, coming within the category of "foreign and colonial" produce. These sale-rooms are nicely arranged with seats for the "buyers," a rostrum for the "seller," and a side-desk for his clerk to check prices. At the tea and sugar-sales the attendance is often as many as one hundred and one hundred and fifty persons, all armed with catalogues and pens, making their "bids," as the market or the article suits them.

During the great tea speculation, the sale-room for that article was always crammed to suffocation, not only with brokers and agents, but also with speculators, who exhibited much anxiety to know the tendency of prices, in order to regulate their transactions in the lane. On the arrival of news from China, the concourse to be seen in Mincing-lane was immense; prices went "up" and "down," and panics occurred as often as not; there was no end to fluctuation; and in the space of a few

months a *clique* of speculators was formed, who devoted their whole time and attention to the article. Many of these, who were previous to that mere "hangers-on" in the lane, suddenly improved their condition, took good counting-houses, started suburban villas, and lived in a style which gave the public to understand that they had not been losers by their change of business. On the other hand, there were others who, not knowing the chances of the market, reckoned without their host, and from comfortable affluence, in private life, were reduced to beggary, and were obliged to seek their fortune where and how they could. The advance in prices, from about 11*d.* per pound to 3*s.* 6*d.* per pound in the course of the three years, when the tea-market was kept in a state of fermentation by the posture of affairs in China, and the re-action to the former level, left plenty of room for considerable sums to be made or lost.

On 'Change, in the afternoon, throughout this period, a brisk speculative dealing was kept up, and thousands of pounds passed hands every week, on contract notes, made and signed by these parties without a single chest of tea being delivered. The brokers themselves, it is understood, kept pretty well aloof from these operations on their own account, and were content to pocket the large commissions of their customers, as their share of the profits afforded by the madness of the times. The error was at last discovered by the speculators, when it was too late. They fondly imagined that, so long as our government maintained a war against the Celestial Empire, so long would the supplies of the leaf be restricted;

but the sequel showed a different result. Every season a supply was received, whether by the aid of smuggling, or otherwise, did not matter—the tea came—and stocks were mostly up to a fair rate of consumption, which decreased quite as much as stocks ever threatened to do, in consequence of the high scale prices attained. It was not before the first two years elapsed that this was plainly perceived, even by parties who had narrowly watched the progress of events in the Eastern hemisphere. When this was perceived, and when, by degrees, the certainty of supplies brought conviction that, however much we might offend the Chinese by our hostilities, they were not desirous of sending their product to any other market,—the exorbitant value of tea gradually declined, and with the subsequent conclusion of the treaty, did not more than support its former quotation. The tea trade has, since the year 1842, moved on in a quiet way, with little or no interruption in the shape of extensive fluctuation.

Brokers exercise their calling under a "ticket," granted by the Court of Aldermen, on pain of certain penalties, for which securities are taken. The revenue the Corporation of London derives from the source of brokers' licenses is very large. A broker is restricted, by the terms of his bond, from speculating on his own behalf; but little regard is paid to the supposed injunction, and scarcely an individual ever entered the markets who has not infringed the law in this respect. If the penalties were enforced, they would still further swell the coffers of Guildhall, proverbial as they are for abundance.

The broker can always ease his conscience from being his own "principal," by substituting the name of anybody else he chooses. Some are not even too particular about this, refusing, without it is insisted upon, to give the name of any principal at all. Cases have occurred, in which a broker, when called upon to give up the name of his principal, has been obliged to confess that he had none; and that, in fact, he was, to all intents and purposes, speculating on his own account. Instances are also stated of brokers who, desirous of having everything square and above-board, have not hesitated to pay a man of straw for the use of his name in such transactions, and risked the responsibility of discovery.

Although the Court of Aldermen profess to be exceedingly vigilant in supporting the character and integrity of the brokers of the City of London, we do not know that any of these practices have ever been exposed by fining or refusing tickets to such brokers, and yet we occasionally hear of what the mercantile members of that body propose to do in the matter. We know of a case where a party applied for a ticket to act as a broker, but never took it out, or perfected his securities, notwithstanding he carried on business in that capacity, and was, moreover, a heavy defaulter in the Ceylon coffee speculation of 1843. His failure brought out the fact that he was *not* a broker; and that, though he had acted as one, the principal of his dealing was on his own account. All these *mal*-practices have raised the question, whether persons who wish to be brokers should be restricted to the terms imposed by the Court of Aldermen, or

whether it would not be better to allow persons free license to do as they please, without the fear of pains and penalties, that are seldom, if ever, enforced.

The produce-brokers visit the London Commercial-sale-rooms for much the same purposes as the merchants visit Lloyd's, the North and South, and other Coffee-houses. Here there is also a comfortable Subscription-room, with information of a character to suit the taste of its frequenters,—catalogues, lists of produce about to be sold; days fixed for sale announced in chalk, on small black boards; and most perfect files of all the mercantile papers published.

The sales take place in upper apartments; the Subscription-room is on the ground-floor. There are three entrances to the sale-rooms, and these, being situated, two in Mincing-lane, and one in Mark-lane, the offices in the galleries adjoining, parcelled out in little rooms, are of much convenience to those who wish to be on the spot. These offices, though small, bring a good rent, and are not very often untenanted.

The two great days for public sales are, like the Gazette days, Tuesday and Friday. Large quantities of produce of all descriptions are then disposed of; and the sales, beginning at ten or eleven in the morning, do not conclude before three and four o'clock in the afternoon. A number of the brokers have, on their own premises, sale and sample-rooms, which save them the expense of hiring at the London Commercial; and many of these are quite as commodious, though, perhaps, arranged in a less costly manner. On Mondays,

Wednesdays, and Thursdays, the sales are of little importance, and Saturday is principally devoted to the payment of accounts and the settlement of prompts; *i. e.*, the discharge of credit given on goods when first purchased.

Mr. James Cook is the active representative of one of the largest houses engaged in the business of produce-brokers. The firm of which he is a member, is that of Trueman and Cook. They are the largest selling brokers in Mincing-lane. Such is the extent of their operations, that it is said, they dispose of produce of the worth of several millions of money in the course of the year. They are general brokers, and do not, like other firms, confine their attention to one special article; they sell largely of sugar, coffee, spices, indigo, &c., upon which they take the commission, which is their remuneration. Trueman and Cook's employ a great number of clerks; and the salaries of the house are liberal.

Mr. Cook is a man of much energy of mind, as well as of experience in business. From the great success of his pursuits, and the good character he bears among his connexion, he has obtained a position second to none in his particular department of trade. Mr. Cook is understood to be the "great power" of the House "out of doors," and Mr. Trueman, the "great power" of the House "in-doors." The one confines the whole of his attention to the arrangement of operations; the other, to the calculations, showing their probable success. Both partners pay much attention to the movements of trade; and the statistics, published in their "Overland Circular,"

are generally regarded as accurate and instructive. Some people lately appear to look upon Mr. Cook as a sort of banking authority; and, it must be confessed, that the prognostics mentioned in the "Circular," which are said to emanate from that gentleman's pen, have, in one or two instances, proved correct. Mixing among the discount houses in Lombard-street, Mr. Cook has vast opportunities of picking up a great deal of gossip on money affairs, which he has a happy knack of turning to the best advantage, and with practised handicraft distributes it through the medium of the "Circular," to his friends and connexions, at home and abroad.

Mr. Cook is no great speaker. He is a lively and pleasing man in conversation; but, when he attempts to "hold forth," he assumes the position of a dictator, which destroys the favourable impression he otherwise creates in society. We have heard it stated that, a few years ago, he used to officiate as minister in a dissenting chapel. Perhaps this mannerism originates from the style of delivery he practised when he preached. It was at the meeting of the shareholders of the Northern and Eastern Counties' Railway Company, before terms of agreement for the lease of that line were thought of by the Eastern Counties' Company, that we first saw Mr. Cook address a body of persons. The Company was then considered to be in a doubtful condition, and a few of the shareholders seemed inclined to blame the directors for lax attention to duties. With these individuals Mr. Cook took part, and stood their advocate. The directors were, however, successful; they beat their adversaries,

being well surrounded by support; and Messrs. Masterman, Crawshay, and Co. reigned triumphant, and did not give up the management till the five per cent. lease from the Eastern Counties' Company was secured. A few of the persons dissatisfied with the course of management sold their shares; but whether Mr. Cook was among the number, we cannot state. They shortly had reason to regret the step they had taken,—for, no sooner were the terms of the lease made public, than the value of these securities advanced to a very high point.

CHAPTER X.

INFLUENTIAL HEBREW HOUSES—SIR ISAAC LYON GOLDSMID—NEW CITY CHARACTERS—DR. BOWRING AND MR. D. W. HARVEY—BUSTLE AND ACTIVITY OF CITY LIFE—THE CITY AS A RESIDENCE—CITY PEOPLE—THEIR PECULIARITIES IN DRESS—MR. PATTISON, M. P.—THE TICKET-PORTERS OF THE CITY—CITY VAGRANTS—THEIR HABITS AND RESORTS——CONTINUANCE OF THE RAILWAY MANIA—WHAT WILL BE ITS END?—OPINION OF THE EDITOR OF "THE CIRCULAR TO BANKERS" ON THE SUBJECT—THE COMPARISON OF PAST AND PRESENT IN "THE ECONOMIST."

The influential City-houses, represented by Hebrews connected with money and Stock-Exchange affairs, and which, though following, in some degree, behind Rothschild's, are nevertheless firms of note, are the Goldsmids, the Mocattas, the Cohens, the Raphaels, and the Montefiores. They are all wealthy firms.

Sir Isaac Lyon Goldsmid, as the leader in the first of these, is enormously rich. Since his elevation to the title of baronet he does not attend so closely as formerly to City affairs. He has, however, a large vested interest in Portuguese, Brazil, and other foreign stocks, and has lately taken part in two or three of the railway schemes

of the day. Sir Isaac is approaching seventy years of age. His stooping walk, his silver hair, and hardly-marked visage, show that Time has been at work with him. There is a little of the aristocrat with Sir Isaac in his dress. The royal blue surtout, and the light waistcoat overhung by a massive gold chain, give the baronet the stamp of rank, which is borne out by the attention he receives at the hands of his less wealthy acquaintances. The Hebrews say that Sir Isaac Goldsmid is not sufficiently liberal to his own sect; they, however, award him the praise of being very munificent to Christians.

Two individuals, who have for years been before the public as political characters, have lately imported themselves into the City, and are endeavouring, as speedily as possible, to gain a commercial reputation. The one is Dr. Bowring, M.P.; the other is Mr. Daniel Whittle Harvey, late representative of Southwark, and now Superintendent-in-chief of the City Police. Both have tagged themselves to the tails of unfortunate railways, and both are said to have made something by the movement. Dr. Bowring has stuck most perseveringly to the Blackwall; Mr. Harvey has not only favoured the Eastern Counties' shareholders with a hearing of his philippics, but has also treated the Greenwich disputants with a little of his advice, which, much to the horror and chagrin of Mr. Scrimgeour — the railway Demosthenes—has been received with gratification.

Dr. Bowring, with his sharp features, puny voice, and disquisitions on what Parliament intends to do with railways, has worked himself into the Blackwall Board,

there to devise and legislate schemes for its future success. Mr. Harvey, after finding that the levelling powers of his voice fell harmlessly upon the directors of the Eastern Counties' Company, has now given them a sprinkling of praise in favour of their extension schemes; and instead of rising up in judgment against them, like a tall spectre from the lower shades, kindly bespeaks a hearing for them, and assists in their support.

Dr. Bowring disports his figure at several other joint stock companies' meetings. He may be seen at the Commercial, and one or two of the Australian Banks, when dividends are declared. He has always something to say, either in the shape of suggestion or correction; and is regarded as a whale among minnows. Mr. Harvey has, at present, not gone beyond railway meetings. In speculations of late, it is said he has made a considerable sum of money. We hope it is true. He never before had the reputation of being rich.

The bustle and activity of City life begins at nine and ten o'clock in the morning, and concludes between six and seven o'clock in the evening. Between the former hours the suburbs and the west have poured in their thousands of human beings, who are engaged in business from Monday morning till Saturday night, in one continued round, and who, in the latter hours, return to their homes to prepare for the morrow's occupation. Before nine in the morning, and after seven in the evening, the City streets and courts present one vast blank. 'Change, Broad-street, Bartholomew-lane, Lombard-street, Throgmorton-street, and all the great City thoroughfares, are then deserted.

Before and after these hours, you see or hear scarcely anything in the shape of business. In the intermediate period, the whole place is alive with the multitude engaged in the operations of the day, and the comers and the goers seem never likely to expend their force, and one would imagine that the great concourse could never disperse. Visit the City at twelve o'clock, mid-day; and again, at seven, in the evening; you would wonder where the people had all gone to. Round 'Change, you would not find a soul; in Bartholomew-lane, the only cry heard would be that of the Bus-conductor for Paddington and Holloway; and in Lombard-street the police would watch you, as though you contemplated a burglary at Glyn's or Barclay's, and, perhaps, inquire the cause of your loitering in the neighbourhood. At eight o'clock at night the "stillness of death" reigns over the City; and not till the morning, between that hour and nine, is there anything like the note of preparation sounded for business.

The City is not now much chosen for a residence. The old houses, in the best thoroughfares, are either let as offices, or given up to the occupation of housekeepers who have the charge of the premises. At the banks, the rule is, for the junior partner to reside on the premises; and a certain number of clerks, also, live in the house. Merchants and others, who formerly located in the suburbs, have, in a great number of cases, chosen West-end domiciles. Regent's-park, and the rows of villas that stud the neighbourhood of Kensington, Brompton, Hammersmith, and other places tending to

those points, are thickly inhabited by City men. Clapton, Hackney, Islington, Peckham, and Clapham, were, at one time, considered very convenient distances by these people. Their taste has, however, even changed in this respect; and these spots have been denuded of a number of their former occupants. Clerks, instead of principals, now reside in these localities, all short rides or walks from the City being filled with the habitations of this class of persons.

Thames-street, Queenhithe, and the thoroughfares to the warehouses at the water-side, some twenty or thirty years ago, were respectably inhabited by parties connected with mercantile life. They are all now left to more humble tenants, and much of the grandeur formerly associated with City recollections, has passed away. A dwelling in the City is a thing not now considered desirable,—all move either towards the west, or emigrate to the suburbs,—the one for fashion, the other for economy and fresh air.

Among the different grades of City people is found much of the peculiarity of birth and inclination. With a desire to make money and stick to business, little else is thought of; and if amusements are sought, they are principally of a character regulating health and exercise. They are the very sort of persons to encourage hunting and racing.

The "young bloods" of the city are great patrons of the turf. They hunt, and ride, and keep their dogs, and make strict holidays for the "Derby," and the "Ascot Cup," with which no description of business is allowed to

interfere. The Stock Exchange and Mincing-lane gentlemen pride themselves upon the knowledge they possess of "betting," and, being speculators by profession, can indulge in an operation of this kind, which comes as natural to them as their every-day concerns. Many of the young stock and produce-brokers display great anxiety to be peculiar in their dress, which occasions a rage every now and then among them for strangely-fashioned hats, deep striped shirts, long-waisted coats, and other articles of clothing, which meet the eye, and make a sensation.

Eccentricity of costume shows itself more in the city than in any other part of the metropolis. The sights afforded to the loungers of Regent-street and Bond-street are nothing to those that can be witnessed in Cornhill, Fenchurch-street, or near the Bank.

Who has not seen that very remarkable little gentleman, with his hair extensively powdered, wearing a high narrow-crowned hat, grey trousers, and tight-buttoned brown coat; whose great aim, as far as his wardrobe is concerned, appears to be to restrict his tailor to the smallest possible quantity of cloth in the manufacture of a suit of clothes? He is a rich man, and money cannot be an object to him; yet he seems to desire to compress his head, body, arms, and legs into the closest imaginable compass, so that "cabbage," shall be the last accusation he can bring against the Knight of the Goose. He cannot be the walking advertisement of the celebrated Moses. That is impossible—his station in society lulls every suspicion of the kind; but why on earth does he

dress so "skin tight?" Nobody knows, nobody can answer. He is just the very customer in figure that we can fancy the proprietor of the great clothing repository would like to fit for all who entered his establishment.

It is the same with a number of other people who move in the mass. Look at Mr. Pattison, M. P., and tell us, without you knew his position, whether you thought he was a Bank director and a large silk manufacturer. You would certainly return a negative. His appearance, you would say, put you in mind of a respectable country farmer, who perhaps owned a few score of sheep and cattle, and whose whole savings might be found in the little brick-coloured bags which these gentlemen usually carry. From his bluff face, his long flapped black coat, his drab smalls and gaiters, ornamented with small bright buttons, you would draw this conclusion.

But the comparison applies to many of our bankers. Two or three of the old subscribers of Lloyd's sport top-boots and white cords. Low-crowned hats, and trousers of strange patterns prevail in the London Commercial Sale-rooms. In Capel-court and Hercules-passage many of the younger branches of firms evince a lively disposition to degenerate into long-stage coachmen, white top-coats, with large pearl buttons, being the wrappers for their five or seven mile outside journeys. Hessian boots are now and then seen on 'Change among the very old people, but one pair, in particular, have been within the last few months found wanting.

The ticket-porters—the "Trotty Vecks" of the city—are a class of people who now gain very little by their

pursuit. Licensed by the Corporation, they have their different stands in the metropolis, and carry and fetch parcels and letters, for which they are rewarded according to the distance of the journey. 'Change-alley, St. Michael's-alley, the old Royal Exchange, Bartholomew-lane, and Broad-street, all possessed stands of porters a few years ago, but now scarcely one is to be seen. They have progressed with the times—they have passed from the state of "job-men" to the more legitimate position of porters or messengers in counting-houses, at a fixed salary, and thus the best of them have been rescued from their former half-starved existence. Few counting-houses in the city are now without their messenger or porter. It must be a poor business indeed that will not support a man or a boy for this duty. The "ticket"-porter, therefore, now only comes in for the extra pressure—when despatch is required, and when the "establishment-man" is already engaged.

In Lombard-street, and round the courts and entrances in the neighbourhood of the Stock Exchange, a class of people have sprung into being who, without the ticket of the Corporation—a responsible badge in case of default or fraud — carry on the profession of message or letter-carriers, and, "undercutting" in price their brethren of the apron, walk away with the best of the business.

The Lombard-street worthies have raised a supplemental connexion by offering their services to guide persons at a loss for the immediate localities of banking-houses to the spot they require, where, before leaving

them at the door, they raise the hat and extend the hand for any little gratuity that may be given. They chiefly look out for country people, or strangers in the city, for this part of their living. The regular visitors at banking-houses are never interrupted by their importunities of service. A vacant glance at one or two of the banking-houses would soon bring them to your aid: they at once divine your difficulty, and will interpose their assistance, if acceptable, for your relief.

Persons occasionally called into the city by their vocations must have often noticed the number of beggars lounging about the different avenues leading to most of the places described in these pages. From the early commencement of business down to its close the demands upon the sympathy of the public come in every shape and form.

City vagrants, from the perseverance they exhibit, must derive a profitable trade; and, as few interlopers make their appearance, the surmise is that those who enjoy the monopoly are believed to be so firmly fixed as to defy competition. A sample of the entire race of alms-askers may be seen in some part or other of the city, and all apparently flourish on terms of equality. Luncheon and 'Change time are as well known to the beggars as the merchants themselves. They are as punctual in the neighbourhood of Garraway's, the North and South American, Joe's, and the other luncheon and chop-houses at twelve o'clock, ready prepared with supplicating look and half-starved appearance to make an appeal for any spare coppers, as they are near 'Change at

half-past three. They know their hours and their customers; and calculate upon their returns with as much certainty as their friends the merchants and brokers. If a person once shows any marked liberality, he is a victim for the future—he is known and respected, and ever afterwards followed.

When Sweeting's-rents and Sweeting's-alley were in existence, the crowd of beggars infesting those places was quite notorious. All the principal luncheon-rooms were in that neighbourhood; and, what with itinerant musicians, the importunities of the fruit and flower-girls, and the drivellings of mothers and fathers who "wanted a bit of bread," the "Bumbles" were then most actively employed in clearing the nuisance, and have since succeeded in maintaining a much better order of things.

Some of the city vagrants apply themselves to special walks, and day after day take the same spot for the exercise of their calling. One old gentleman we know, who, having lost a leg and an eye, (of course "in the service of his country,") parades Birchin-lane and Lombard-street on crutches, and gathers enough for a comfortable crust. We must award him the credit of having been a fine man, and the leg that at present remains showing the attraction of a fine calf, is with all propriety displayed by the assistance of knee-breeches, and a clean blue woollen stocking. There is some jauntiness in this fellow's appearance—the cock of his hat and the glance of his eye not being at all in accordance with the profession he has adopted. Nothing mealy-mouthed or soft escapes his lips: he is a

man of few words, and, should he fail to receive attention on the first appeal, it is not often that he makes a second. "Please yer Honour," and the stump of his crutches, announce his coming. If you at once refuse, he says no more, but stumps back again. An encouraging look may bring out a "Do, yer Honour," but not always. He seems to possess independency of spirit, though a beggar.

Among the other variety of *genus*, we possess cripples, match-girls, and several poor Jews, the latter of whom, knowing the liberality of our nation almost to equal their own, follow up the trade of alms-asking with considerable success. Old Mr. Rothschild used to bestow pounds and pounds in this manner. They were always on the look out for him when he left 'Change for his offices in New-court; and St. Swithin's-lane was often lined with begging and suppliant Jews, to meet the great capitalist on his way thither.

One of the most extraordinary cripples honouring the city with her daily presence is a little lady, of fair complexion, with red hair, who vends silent lights, and other small wares. She evidently does not depend so much upon the sale of her goods as the contributions she receives in the way of charity. Her face is familiar to city people, and her cleanly and neat style of dress speak rather in her favour. A Creole flower-girl, who was missing from her haunts for some months, has lately returned, bearing stock in the shape of an interesting baby of the same complexion and features, and hence there is another addition to the list of dependents.

The "chance" system—that of holding gentlemen's horses, while the owners visited the Bank or other establishments, has within the last few years died away. This was the business followed by the male branches of the vagrant tribe, who had many a hearty scuffle for a prize of this description. "Hold yer 'orse, sir?—Hold yer 'orse, sir?" was a familiar cry a few years ago, but it is now seldom or ever heard. A train of three or four ragged urchins would run and dodge an equestrian from place to place before they would give up the "chance," notwithstanding the repeated denials their proffered services received.

One man, who was almost privileged to the custom of the Bank, took his stand by the side of the old Sun Fire-office, and here for years he managed to scrape a living. From a condition of poverty, he rose by degrees to a state of comparative affluence, dressing decently, and paying two or three underlings to attend to the increase of his business. He was always provided with a pail of clean water and a bundle of hay for the steeds placed under his care, and eight or nine might be seen at a time in his or his assistants' hands during the busy period of the day. The payment of the dividends at the Bank was a great harvest for him; gigs, chaise-carts, and horses were then in abundance, and the return of profits was commensurate with the increase of services required. The late improved approaches to the Royal Exchange have cleared this part of the neighbourhood; and these, or the facilities of conveyance by omnibuses and cabs, have put an end to this traffic. Nothing of the

kind is ever seen now, and what must formerly have proved a source of supply to many of the lower orders, has entirely failed them.

The spare shrivelled woman who sells fruit at the corner of one of the courts in Threadneedle-street is a character in her way. Peaceable and civil, when sober, she interferes with no one; infected with liquor, the police stand no chance with her. Right and left fly her asseverations against the public when she has sacrificed at the shrine of the jolly god. "Dan was a fine man, though he turned out a rascal!"—"My poor husband!—God rest his soul!" are the wild ejaculations of the poor creature; and then her miseries come crowding fast and thick upon her. The history of her life is soon revealed—the whole story comes out—tears trickle down her cheeks, and the wife of a murderer—the notorious Daniel Good—gives the narrative of their marriage and separation.

There are many other characters occasionally to be met with, but they pass from recollection, and are lost in the general multitude. We have missed, for some few months, the old Irish beggar, who, without legs, travelled on a kind of low wooden carriage, with short crutches, and who was one of the greatest pests foot-passengers could encounter. The old drunken vagabond did not hesitate to insult every one who came near him, and a refusal of alms was always followed by a volley of oaths.

And, now, a few words in conclusion. This little volume here approaches its end. It is finished at a most important period,—a period when the public have become enamoured of the railway system to so great an extent, that scarcely any limit can be placed to the point to which they are prepared to go. All the world is engaged in share-dealing, and few will ultimately escape the damage which the evil must entail on the community at large when the bubble bursts. This is an era in which the great thoroughfares have been saved almost from a state of insolvency, by the demand for temporary offices for companies at a rental that, in days gone by, would never have been submitted to; and in which Moorgate-street, King William-street, and all the other principal streets, have undergone a change in the character of their occupants much for the better.

Whatever may be the result of the mania, (and there are scarcely two opinions about it,) it has produced some good for trade. The upholsterer, the stationer, the printer, the newspaper-proprietor, have all received their fair share of encouragement from the progress of the movement; and no one can complain of the want of liberality in the distribution of favours to those connected with these departments of business. If lawyers, engineers, and surveyors, have had their slices from the carcase, the fragments that have fallen to the lot of their less fortunate neighbours, have not been discarded as unworthy of notice.

The printer, lithographer, and stationer, with the publication of prospectuses, the execution of maps,

and the supply of materials for carrying on the corresponding department of the several projects, have made a considerable harvest. The upholsterer has had his portion of business, in furnishing Board rooms and Secretary's offices, which, as the payment comes from the deposits, has not been restricted to articles of ordinary or common-place manufacture. Turkey carpets and easy chairs are not considered luxuries in offices furnished under such circumstances on these occasions. The newspaper proprietor, perhaps, has secured as large a portion of patronage, during the mania, as either the printer or the upholsterer. Good prices are always charged for advertisements connected with public companies; and it would not be unfair to estimate the receipts of the leading daily journals at from 12,000*l.* to 14,000*l.* per week from this source. The weekly railway papers have been quite as successful in their receipt of profit as they could reasonably expect; and though, in a note in an early part of this work, we stated their returns to be about 250*l.* for each publication for advertisements, that sum has since reached, in two or three cases, to as large an item as 500*l.* and 600*l.* The advertising expenses of railway projects in the present speculation has been enormous,—a fact easily to be discerned from the figures here given.

Where will all this end?—is the question in everybody's mouth—and few have courage to return the proper answer. Most people are sanguine, but scarce any dare to hope a prosperous continuance of the speculation. A few short months will display the stern reality, and then we shall see whether the prognostications of the

"alarmists," as they are called, will be realized or not.

In the shape of supplementary matter to this chapter, we reprint two very able articles that have appeared on the subject of the railway mania: the first is from the "Circular to Bankers;" the second, from the "Economist,"—two publications well known for the correctness of their information, and the soundness of their views on banking and monetary affairs. If carefully investigated, they will be found to bear out, in all essential points, the facts and figures contained in our remarks on the comparison of the present with other speculative periods. They deserve to be extensively circulated throughout the country, and preserved on record for posterity.

From the "Circular to Bankers."

We now proceed to bestow a few observations for the purpose of distinguishing this extraordinary speculation from some of those which have preceded it, equally marking in their day an excited and diseased state of the public mind, when stimulated by the designs and interests of brokers, the association of numbers, and the eagerness of gain. The speculation of 1824-5 took all directions—colonial produce, all raw materials of manufacture, public companies for all imaginable purposes, from steam-washing and cow-keeping, to making Ireland a silk-producing country, and covering the sea with ocean steamers—bad and good schemes of all sorts. But its boldest and most conspicuous flight was over the Atlantic, to invest money in the mines of South and Central America. It is impossible to state how large was the whole capital which was sent in this direction; Mr. Huskisson made it the theme of a discourse, in which he represented the clear loss at from three to four millions sterling. But the peculiar character and manifestation of that speculation are the important and instructive circumstances that we have now to consider, for the purpose of showing their bearing, by force of contrast, on the mania now prevailing.

The source of all these speculations is a reflux of money to the centre, after a period of commercial and manufacturing distress, and low prices. That of 1824-5 was wide-spread, and it fastened on many objects; but its most striking feature was mining enterprises, which also involved the greatest amount of ultimate loss. During the highest state of the fever, the premiums on the shares of some of the South American mining companies rose to more than a thousand times the nominal value of the shares. In this there is a striking contrast to that which has taken place in railway shares, in none of which has the premium amounted to the nominal value of the shares, when the affair was in the state of projection. The reason is this,—supposing the spirit to have the same strength and intensity, and to be supported by the same amount of power in 1824-5 as in 1844-5, at the former period no one object presented itself on which alone the speculation could live and prosper. Gold and silver mines are limited in number; their situations are remote from the centre of power; the people of England were not familiar with such enterprises, and nothing but high mercantile names could have induced them to adventure their money in such novel and hazardous undertakings. The spirit was rife and eager to be led, but the leaders could not create objects fast enough to satisfy the cravings of the spirit; and so it fastened on many absurd schemes, which men of lower grade, and inferior authority, brought forward for it to feed on. If mines had been like railways, equally familiar to the public observation and approbation,—if mines could have been presented in unlimited number, and some leading men had been willing to lend their names, influence, and authority, to the formation of a score companies at once, as they do now in the case of railways, the speculation of 1824-5 would have been confined as exclusively to mining enterprises, as the speculation of 1844-5 is confined to railway enterprises. Ingenious men observe the craving of the monster, and they find no difficulty in creating a thousand railways for the purpose of satisfying it. In 1824-5 there was no such prolific field of creation; and, consequently, the shares in the few mining companies brought out rose, in some cases, to more than a thousand-fold of the amount of capital proposed to be laid out.

The next succeeding period of speculative prosperity, 1835-6, more nearly resembled, in its characteristics, that of 1825 than does the present one. North American credit, garnished with banks, railways, and other public improvements, was in this case the tempting bait. Substantially, the objects then presented for investment

were of sounder foundation than four out of five of the railway projects that have been brought out for public patronage in the year 1845; and we firmly believe that the shareholders in canal and railway property, and in loans to municipalities in the United States, and on the other hand, in the new railways of England, will admit the validity of this conclusion when they compare accounts in the year 1855. The range of enterprise for British capitalists in 1835-6 was extensive, for it had the whole of the United States for its theatre. It was then, as now, confined mainly to one field abroad, but in England it took the direction of forming joint-stock banks, opening large streets, and constructing new ones, building public edifices, laying out parks with villas, as at Clapham and near Manchester, and generally it created a spirit of speculation in mills, mines, manufactures, and the raw materials of manufacture. On attempting to draw a parallel between the two periods of excitement, 1824-5 and 1835-6, we find the great feature of the first was, that the principal stream of speculation was directed to South and Central America, and that of the latter was, that the great stream was directed to North America. In other respects there was no striking characteristic of difference in the two, except what relates to joint-stock banks, which, in 1825, the state of the law precluded from being formed.

We now come to the speculation of the present time, to make the examination more intelligible. The object of the current speculation is principally, almost exclusively, confined to railways here and abroad. Its range, however, is as great as in the two former cases, probably far more extensive, but it is in great part limited to home, and the money it calls out is spent in great part on ourselves. We rejoice that it is so; it must be productive of public benefit by drawing out hoarded, and, as it lay, useless treasure, and giving employment to labourers. But, we are considering the matter as a speculation, and endeavouring to trace out some of its probable consequences. As such, in what respect does a railway differ from a mill that is built in times of stimulation, and is sold for one-fifth of its cost in times of distress, because the owner cannot pay the expense of working it? The mill is better property than a railway, because the latter can be applied to one only purpose. In both cases, the architects, dealers in materials, and labourers of the structures, were benefited whilst they were in course of being constructed but, after that, so long as the structures will not pay for working them, the capital expended is almost wholly pure waste. Of what

use to the public or the proprietors is the capital expended in the Junction Railway? We believe that is the name of one for which an Act was obtained ten years ago, to bring the traffic of the existing railways to a point somewhere about Gray's-inn-lane, and which was partly constructed. The ground has been forfeited to the original owners of it long since, according to the terms of the Act. Of what use will be some of the five railways projected to be formed between London and York? Not one additional railway can be formed without injuring the revenue of that which is in operation. Some of them must be closed for the want of power to pay the working of them; for, to render them all productive of profit, the wealth and population of the country must be at once quintupled. If, in a small country like this, you lay out fifty millions of money in railways, the outlay may be judicious, pay the proprietors well, and benefit the public; but if you lay out one hundred and fifty or two hundred millions, one half of that sum may be pure waste, because the railways that represent it cannot be worked in consequence of the current expense of working them being greater than the gross current earnings, and they can be put to no other use.

Wasteful expenditure, whether it be made in war, warlike instruments, useless canals, or useless railways, has the same malign bearing on the welfare of a country, whatever may have been its object. In the case of wasteful expenditure in war, the State provides that the capitalist who advances money as it is wanted shall receive his stipulated usance for it by taxes levied on the whole community; in the case of a wasteful expenditure in useless railways—say of fifty or a hundred millions, which cannot be worked because of the expense of working being more than the income—there is no State or Power to guarantee the annual usance to those who supply the capital; consequently, although the public burden must be less than that for expenditure caused by war, or nothing at all, the individual misery caused by abortive railway schemes, with their outlays, must be so great as to baffle all power of description. Neither are there wanting evidences even in this, the infancy of the system, to prove that three or four out of every five of the new projects—especially those for the east, south, and south-west of England, remote from the sources of mineral wealth—must fail. To say nothing of the wrecks passing under the titles of the Peak and the Moreton-in-the-Marsh Railways, there exists the Whitby and Pickering Railway, (a single line, with sidings, of twenty-four miles) as a warning. There is no railway that runs over such a proportionate

length of waste and worthless land; there is no railway more needed, for Whitby is a populous and wealthy town, situated in a deep and remote *cul de sac*, the nearest market town being 20 miles distant, and the intervening space in every direction being moorland. Two beautiful valleys approximating near to midway between Whitby and Pickering present the most favourable basis for the construction of a railway. The one now worked has been constructed—badly constructed we admit—and in operation many years. The owners never, we believe, received one farthing in the shape of dividend or interest for their capital, and the expense of working the line was with difficulty defrayed—the operations were frequently on the point of being stopped for this reason. Here there was no competing line, no competing carrying power worth alluding to, except that provided by the sea; and, we repeat, no circumstances can be imagined more favourable for a railway enterprise except dense population and mineral treasures. Not one in five of the new projects is to be compared with it, all-circumstances considered. Mr. Hudson's keen practical eye has perceived this, and he has bought the Whitby and Pickering Railway, which, as an adjunct to the York and Scarborough and the York and North Midland, now all one, will prove in his hands an important feeder; for competition is out of the question in such a locality.

We have adverted to these illustrations furnished by brief experience in working a novel system, for the purpose of suggesting the improbability of more than one in four of the new projects paying any interest to the adventurers. It would be useless to multiply examples, or they might be adduced from the plight and miserable dividends exhibited by some of the southern railways, working without competition. Then what will be the effect of all this speculation on the monetary power, is the only remaining section of the matter on which we shall at present offer any observation. We said a fortnight since that the thing as a speculation must break down within six months, or subside, leaving shoals of adventurers helpless on shore when the tide ebbs. Prophets, with a particle of foresight and discretion, will take an ample margin when prophesying; and a third part of six months may be sufficient to realize this prophecy. Whenever that time comes there will be a rush to obtain the possession of money to keep the speculation afloat. A few only of the speculators will succeed in this; for there never was a speculation in which the Directors of the Bank of England generally, and those who influence and control monetary operations in the city of London,

stood more aloof than they do in this railway speculation. The Bank will not be controlled by railway magnates as it was controlled by the great merchants and merchant-bankers at the two former crises of 1825 and 1836.

This leads to the inference, that the manufacturing and mercantile operations of the country will be less interfered with at the next convulsion than at any preceding one; and this appears to us a just inference. Still there will be a very large sum of money abstracted from its mercantile and ordinary uses, which will make the market for supplying it to those uses scarce and "tight." We can perceive no difference between locking up money in a useless railway in Pennsylvania, and locking up the same sum in eight useless out of ten projected for Southampton. America being always the debtor country on the balance, it would be rather less disadvantageous to our manufacturing interests to waste English money there than for such purposes at home: at home it would cause less to be spent in English manufactures than in the United States, and more to be spent in such imports as tea, coffee, tobacco, sugar, wine, rice, and food—especially in the period of projection and laying out of schemes. A secondary clerk to an engineer has, we know, been paid seven guineas a-day for his services; and this fact marks the objects on which an increased expenditure for railways, in this stage of their progress, is likely to be squandered. The great question for consideration is, what will be the effect of all this speculation combined with augmented imports on the Bank of England?

On this last question we know far too little to justify us in saying more than we have said at present. We understand that the Directors count on the probability of losing two or three millions of their treasure. Such a drain, we believe, would not stop at the assumed point, but even that small sum would be quite sufficient to sink three out of four of all the new railway projects, to produce greater stringency in the administration of money, and very guarded conduct on the part of all bankers.

From "The Economist."

It is at all times a painful thing to refer to periods of misfortune, and it is especially distasteful, in the midst of an extraordinary flush of prosperity, which people generally believe will be as permanent as it is unprecedented. There have, however, been two periods within the memory of most who are now engaged in the active

business of life, which were in some slight degree similar to the present times, as far as regards the extraordinary new and sudden creation of wealth. We know that opinions generally exist, that at the periods referred to, there were some peculiar and unhappy characteristics, which caused the wealth, which was then suddenly made, to disappear as suddenly; and it is believed, that at this time happily no such reason exists which can in any way endanger the permanency of the present state of things. It is said that the objects of the present speculations are all tangible, and well tried, and have proved to be a most profitable investment for capital; further, it is said, that the money required will be all expended in the country, and will be no inconvenience, as it will only change hands. We do not in this place offer any opinion on these points, but it may be very interesting and instructive to our readers, if we lay before them the simple facts connected with the two former periods and the present, which each may turn to any use he sees fit. These periods of the greatest flush of prosperity known in modern times were 1824 and part of 1825; 1834, 1835, and part of 1836; and 1844 and 1845 so far.

Then for the facts. We have before us parliamentary documents, from which we glean the following statement of the transactions of 1824 and 1825. We have separated the foreign from the home engagements, as it is believed that they are so essentially different, and that our readers may see the amount of the objectionable and unobjectionable schemes at the different times.

PUBLIC UNDERTAKINGS IN 1824 and 1825.

	£
Foreign.	
Total of foreign Loans, nominal value £34,278,571, contracted for at	23,722,000
Foreign Mining and other Companies of all kinds, on which a deposit of 10 per cent. was paid	24,467,000
Total of foreign liabilities undertaken	48,189,000
Great Britain, Jan. 1824 *to Jan.* 1825.	
Mining companies	10,400,000
Railroads	21,942,000
Canals, Docks, Tunnels, and Bridges	14,134,000
Fire and Life Insurance offices at the nominal capital £32,040,700, of which was only required to be paid	3,204,700
Water works	2,680,000
Carried forward	52,360,700

Brought forward	52,360,700
Gas companies	7,370,000
Loan, Pawnbroking, investment, annuity, and Banking companies	22,160,000
Colonial companies	2,000,000
Steam navigation, building and bath companies	3,680,000
Provision, milk and flour	3,160,000
Sundry companies, after Jan. 1825	66,047,930
Total subscribed capital on home schemes	156,778,630
Total of 1824 *and* 1825.	
Foreign loans, mining companies, and other schemes ...	48,189,000
Home schemes of all kinds, to be expended in the country ...	156,778,630
Total subscribed	204,967,630
On which was paid up in 1824 and 1825	35,014,698

Besides these, there seems to have been one hundred and thirty-three schemes advertised, on which it does not appear what amount, if any, has ever been paid.

Note.—The chief banking house to these companies has long been extinct.

	£
Bullion in the Bank, Feb. 1824	13,810,060
— — Feb. 1826	2,459,510

From the same parliamentary papers we glean the following transactions of 1834, '35, and '36 :—

PUBLIC UNDERTAKINGS IN 1834, 1835, and 1836.

	Capital.	*Shares.*
Railway	£69,666,000 ...	590,920
Mining companies ...	7,035,200 ...	447,730
Packet and navigation ...	3,533,000 ...	127,390
Banking companies ...	23,750,000 ...	670,000
Conveyance ditto ...	500,000 ...	50,500
Insurance ditto ...	7,600,000 ...	68,000
Investment ditto ...	1,730,000 ...	23,900
Newspaper ditto ...	350,000 ...	46,000
Canal ditto ...	3,655,000 ...	14,400
Gas ditto ...	890,000 ...	72,400
Cemetery ditto ...	435,000 ...	24,000
Miscellaneous do. ...	16,104,500 ...	403,450
Total	135,248,700 ...	2,538,690

On which the deposit per share averaged from 2*l.* 10*s.* to 3*l.*, and taken at the latter, the deposits were 7,616,070*l.*

The above schemes are thus divided—

	£
Foreign	6,175,000
British	129,073,700
	135,248,700

These documents do not state the amount of the American loans of this period, but we may add to the above 6,175,000*l.* foreign projected undertakings, about 15,000,000*l.* more on various accounts, making—

	£
Home undertakings, to be expended in the country ...	129,073,700
Foreign	21,175,000
	150,248,700
Note.—Bullion in the Bank, Feb. 1834	10,142,000
Ditto Feb. 1837	4,221,000

The Parliamentary document before us gives a list of twenty individuals who were engaged in the above Companies as Directors, and states the number of Companies in which each was so engaged. We will apply letters in place of the names.

A	Director of	6	Companies.	L	Director of	8	Companies.
B	—	5	—	M	—	8	—
C	—	3	—	N	—	2	—
D	—	7	—	O	—	3	—
E	—	8	—	P	—	4	—
F	—	9	—	Q	—	3	—
G	—	5	—	R	—	7	—
H	—	6	—	S	—	11	—
I	—	10	—	T	—	8	—
K	—	5	—	U	—	4	—

A. B. and Co., Bankers to 27 Companies.
C. D., Engineer to 13 Companies.

The Bankers referred to have some time since given up their business. Of all the above list of names, we observe only ONE at present prominently before the public, or holding a similar position as in 1836.

The next period to which we will refer is from Jan. 1844 to the present time.

RAILWAY UNDERTAKINGS in 1844 and 1845.

	Capital.
Railways of which the Acts are passed, and which are in the course of construction	£55,862,200
Railways projected in 1844, and of which the plans were deposited last year, besides the above.....	67,000,000
Carried forward.....	122,862,200

Brought forward..... £122,862,200

Projected in 1845, to the 8th October:—

	Total number.	*Amounts known.*	*Capital.*
A ...	6 ...	6 ...	£5,040,000
B ...	45 ...	32 ...	27,450,000
C ...	37 ...	35 ...	29,490,000
D ...	33 ...	26 ...	38,840,000
E ...	25 ...	24 ...	19,470,000
...	3 ...	1 ...	3,000,000
G ...	42 ...	41 ...	58,710,000
H ...	11 ...	8 ...	7,300,000
I ...	11 ...	11 ...	10,300,000
K ...	7 ...	6 ...	7,115,000
L ...	60 ...	54 ...	54,830,000
M ...	22 ...	20 ...	21,055,000
N ...	39 ...	36 ...	28,450,000
O ...	8 ...	8 ...	7,000,000
P ...	8 ...	5 ...	3,250,000
R ...	10 ...	10 ...	8,400,000
S ...	42 ...	36 ...	32,020,000
T ...	14 ...	13 ...	12,550,000
U ...	2 ...	1 ...	500,000
W ...	39 ...	36 ...	31,775,000
Y ...	4 ...	3 ...	4,300,000
			2,155,000
	468	412	413,000,000

Additional Lines from the 8th to the 15th Oct..... 20,400,000

Capital of 56 Lines, not included in the above sum, at the same rate..... 56,000,000

489,400,000

Total of British Railways in progress and projected.....£612,262,200

FOREIGN RAILWAYS to the 8th Oct.

41 Lines, of which the capital of 39 ascertained amount to..... £79,250,000

Home Railways, to be expended in the country.....£612,262,200
Foreign 79,250,000

Total.....£691,512,200

On which the deposits may be thus stated:—

10 per cent. on the Lines passed, independent of calls... £5,586,220
5 per cent. on the Bills of last Session remaining over, of which most are now increased to 10 per cent..... 3,350,000
10 per cent. on the projections of 1845 to Oct. 15th..... } 69,512,200
Taking Foreign Railways only at the same rate ..... }

Total deposits paid or to be provided.....£78,448,420

Bullion in the Bank, January, 1845 ... ... £14,801,621
,, ,, June, ,, ... 16,500,000
,, last week, ,, ... 14,865,000

The following is a *resumé* of the three periods:—

	Home Schemes.	*Foreign.*	*Total.*	*Paid up and Deposits.*
	£	£	£	£
1824 and 1825	156,778,630	48,189,000	204,967,630	35,014,698
1834 to 1837	129,073,700	21,175,000	150,248,700	22,616,070
1844 and 1845 so far	612,262,200	79,250,000	691,512,200	78,448,420

BULLION IN THE BANK.

February,	1824	£13,810,060
,,	1826	2,459,510
,,	1834	10,142,000
,,	1837	4,221,000
January,	1845	14,801,621
June,	,,	16,500,000
October	,,	14,865,000

We will only add, that the *premiums* upon undertakings, which have as yet not received an act of Parliament, cannot be estimated at less than 40,000,000*l.*, which at this moment figures as increased wealth hanging on opinion during the present year. We leave these facts in the hands of our readers, to make such application of them as they may appear to deserve.

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